

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

(A Component Unit of Summit County, Utah)

FINANCIAL STATEMENTS

Years Ended December 31, 2025 and 2024

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS:	
Statements of Net Position	14
Statements of Revenues, Expenses, and Changes in Net Position	16
Statements of Cash Flows	17
Notes to the Basic Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedules of the District’s Proportionate Share of the Net Pension Liability (asset)	37
Schedules of District Contributions	38
Notes to Required Supplementary Information	39
OTHER INFORMATION:	
Debt Coverage Ratio	40
Cash Flow Analysis	41
Budgetary Information	42
Impact Fee (Cash Basis)	44
COMPLIANCE REPORTS:	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46
Independent Auditor’s Report on Compliance and Report on Internal Control over Compliance Required by the <i>State Compliance Audit Guide</i>	48



INDEPENDENT AUDITOR'S REPORT

Administrative Control Board
Mountain Regional Water Special Service District

Report on the Basic Financial Statements

Opinion

We have audited the statement of net position of Mountain Regional Water Special Service District (the District) as of December 31, 2025 and 2024, and the statement of revenues, expenses, and changes in net position and statement of cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain Regional Water Special Service District as of December 31, 2025, and the changes in its financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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 Mountain Regional Water Special Service District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability (asset), schedules of District 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 required 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 inquires of management regarding 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 Information

Management is responsible for the other information included in the annual report. The other information section does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report, dated May 28, 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.

Squize & Company, PC

Orem, Utah
May 28, 2026

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

This section of the Mountain Regional Water Special Service District of Summit County (the District) report serves as an introduction to its basic financial statements for the years ended December 31, 2025 and 2024; and presents management's discussion and analysis of its financial position. Please read this in conjunction with the District's basic financial statements, which follow this section. These statements include all District activities.

Financial Highlights

- The District realized a \$9.24 million increase in net position for 2025. This exceeded the budgeted increase by \$3.93 million.
- District operating revenue increased by \$1.86 million (12.4%). The District implemented a tiered rate increase in 2025 to result in a 5.0% effective increase in water rates. This, in combination with water usage by the District's direct customers being 26.6% higher than the four-year average, resulted in the increase.
- 2025 operating expenses were \$12.17 million (6.5%) under budget due primarily to cost savings in water transmission and distribution expenses.
- The District completed construction of a new administrative office and maintenance facility.
- Year-end 2025 operating cash and cash reserves amounted to 350 days in reserve, based upon annual budgeted cash operating expenditures.

Overview of the Financial Statements

The basic financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows and the Notes to the Financial Statements. This report also contains additional required supplementary information on pensions and other information, in addition to the basic financial statements themselves.

The District operates as an enterprise fund and is a component unit of Summit County, Utah. Enterprise funds account for operations that are financed and operated in a manner similar to a private business, where the intent of the governing body is that the cost of providing goods and services be financed or recovered primarily through user charges. The District is financed primarily through water sales, service fees, property assessments, and impact fees. It does not impose any taxes.

The *Statement of Net Position* presents information on all the District's assets and deferred outflows of resources, and its liabilities and deferred inflows of resources - with the difference being reported as net position. Typically, over time the increases and decreases in net position may serve as a useful indicator 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 year presented. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of the related cash flows. Thus, the revenues and expenses are reported in this statement for some items that will only result in cash flows for future periods.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

The *Statement of Cash Flows* presents information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments and changes in cash resulting from operations, noncapital financing, investing, and capital and related financing activities and provides answers to such questions as where did the cash come from, what was the cash used for, and what was the change in cash balances during the reporting period.

The notes provide additional information essential to a full understanding of the data provided in the financial statements. The notes are an integral part of the basic financial statements.

District Financial Analysis

Changes in Net Position

Mountain Regional Water Special Service District's Change in Net Position
Year Ended December 31,

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Operating revenue	\$ 16,844,774	\$ 14,985,745	\$ 12,910,812	\$ 1,859,029	12.4 %	\$ 2,074,933	16.1 %
Operating expense	(12,167,590)	(11,186,438)	(10,369,704)	(981,152)	8.8	(816,734)	7.9
Operating income	4,677,184	3,799,307	2,541,108	877,877	23.1	1,258,199	49.5
Non-operating revenue	4,325,052	4,154,302	2,554,636	170,750	4.1	1,599,666	62.6
Non-operating expense	(1,820,576)	(1,838,707)	(1,211,254)	18,131	(1.0)	(627,453)	51.8
Net non-operating revenue (expense)	2,504,476	2,315,595	1,343,382	188,881	8.2	972,213	
Income before contributions	7,181,660	6,114,902	3,884,490	1,066,758	17.4	2,230,412	57.4
Capital contributions	2,054,167	921,003	2,560,819	1,133,164	123.0	(1,639,816)	(64.0)
Change in net position	9,235,827	7,035,905	6,445,309	2,199,922	31.3	590,596	9.2
Net position - beginning	102,211,441	95,175,536	88,730,227	7,035,905	7.4	6,445,309	7.3
Net position - ending	\$ 111,447,268	\$ 102,211,441	95,175,536	\$ 9,235,827	9.0 %	7,035,905	7.4 %

Net position increased by \$9.24 million in 2025 to \$111.45 million (a 9.0% increase in ending net position) as shown in the table above. Operating income increased by \$0.88 million mainly due to increased usage by customers and a rate increase in 2025 offset by an increase in operating expenses. Additionally, non-operating revenue (expense) increased by \$0.17 million due to a gain on sale of assets offset by a decrease in impact fees and interest income. Capital contributions of \$2.05 million also contributed to the increase.

Net position increased by \$7.04 million in 2024 to \$102.21 million (a 7.4% increase in ending net position) as shown in the table above. Operating income increased by \$1.26 million due to increased usage by customers and a rate increase in 2024. Additionally, non-operating revenue increased by \$1.60 million due to higher interest income and impact fees. Capital contributions of \$0.92 million also contributed to the increase.

The District's net position is segregated into three categories, as shown below, to provide additional insight into its financial condition.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Net Position

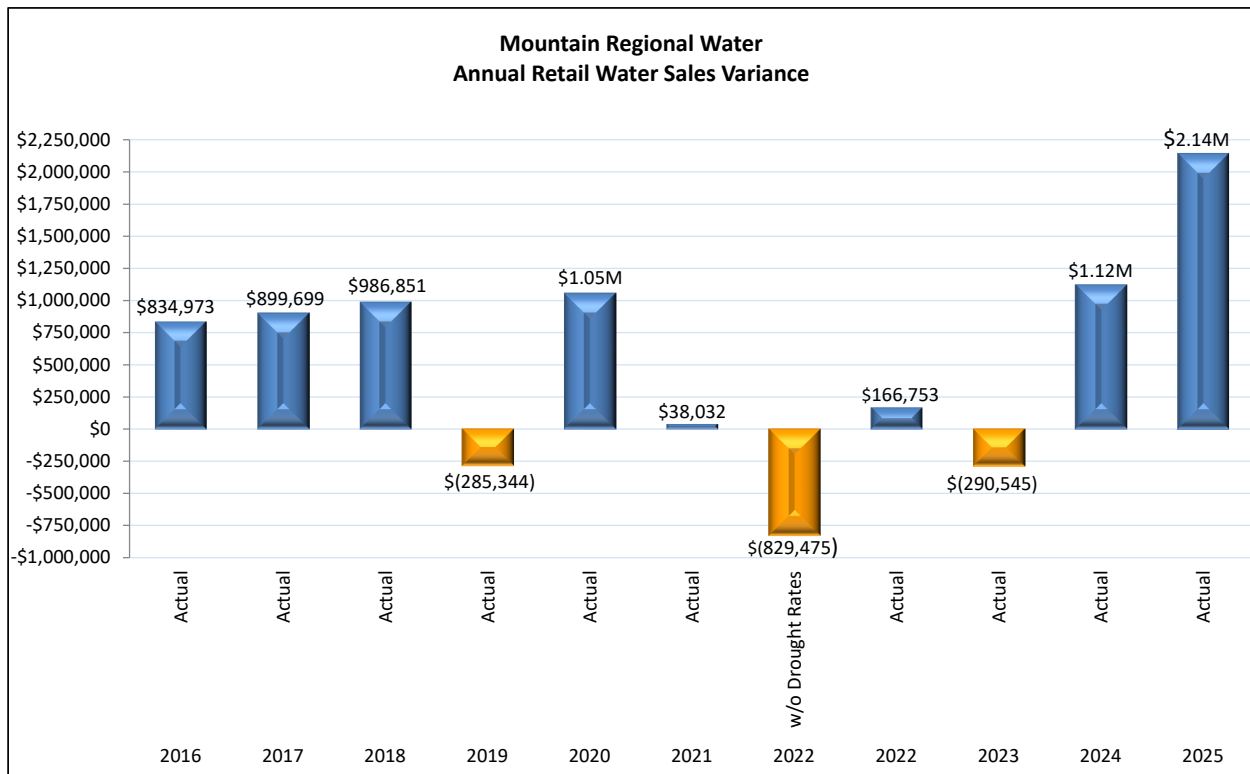
Mountain Regional Water Special Service District's Net Position
December 31,

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Current assets	\$ 17,279,216	\$ 14,146,224	\$ 15,230,258	\$ 3,132,992	22.1 %	\$ (1,084,034)	(7.1) %
Capital assets	129,524,629	114,956,093	104,746,217	14,568,536	12.7	10,209,876	9.7
Other assets	13,505,017	25,486,745	28,147,532	(11,981,728)	(47.0)	(2,660,787)	(9.5)
Total Assets	160,308,862	154,589,062	148,124,007	5,719,800	3.7	6,465,055	4.4
Deferred outflows of resources	1,770,277	1,819,176	1,626,126	(48,899)	(2.7)	193,050	11.9
Unrestricted current liabilities	1,298,122	967,409	507,474	330,713	34.2	459,935	90.6
Long-term liabilities	41,938,462	45,644,574	48,470,154	(3,706,112)	(8.1)	(2,825,580)	(5.8)
Net pension liability	668,576	470,530	314,634	198,046	42.1	155,896	49.5
Other liabilities	6,235,149	6,658,097	4,663,288	(422,948)	(6.4)	1,994,809	42.8
Total Liabilities	50,140,309	53,740,610	53,955,550	(3,600,301)	(6.7)	(214,940)	(0.4)
Deferred inflows of resources	491,562	456,187	619,047	35,375	7.8	(162,860)	(26.3)
Net Position							
Net investment in capital assets	85,873,862	79,529,944	72,971,271	6,343,918	8.0	6,558,673	9.0
Restricted for:							
Capital projects	7,291,431	6,861,149	5,425,796	430,282	6.3	1,435,353	26.5
Debt Service	2,418,428	2,952,224	3,000,729	(533,796)	(18.1)	(48,505)	(1.6)
Unrestricted	15,863,547	12,868,124	13,777,740	2,995,423	23.3	(909,616)	(6.6)
Net position - ending	\$ 111,447,268	\$ 102,211,441	95,175,536	\$ 9,235,827	9.0 %	7,035,905	7.4 %

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Summary of Revenue

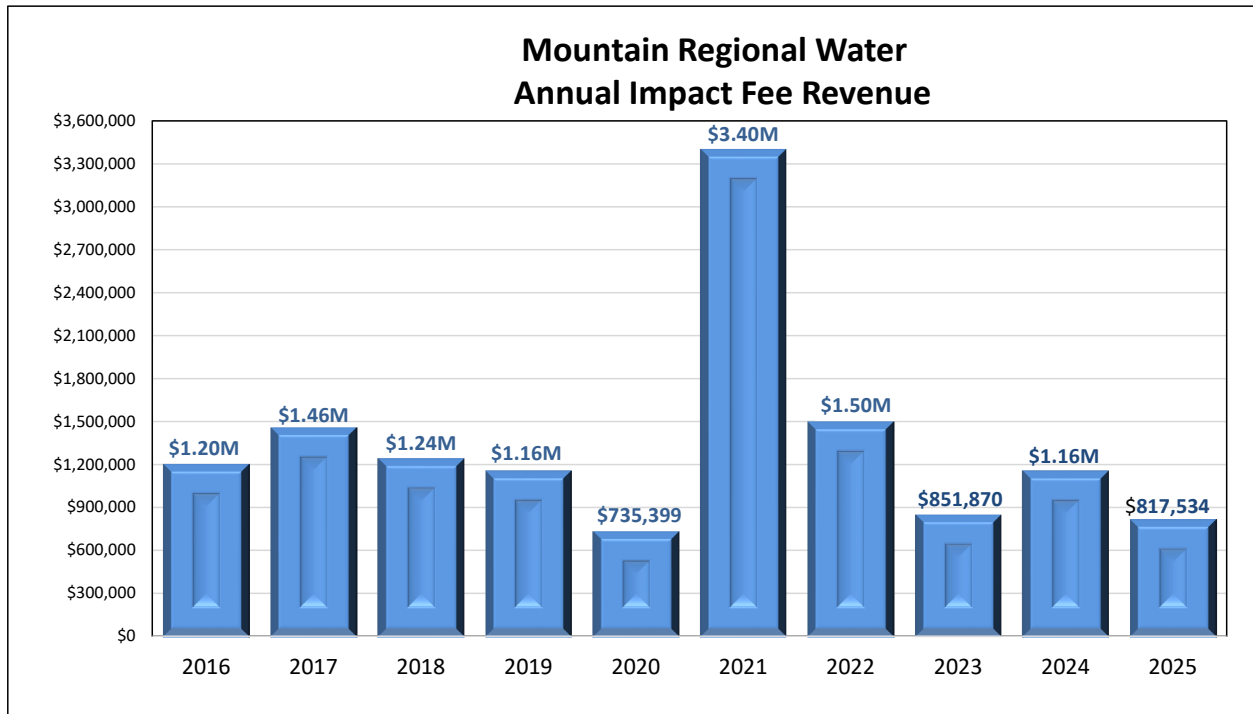
The District’s revenue can be cyclical year-over-year depending on water usage and development activity. The table below demonstrates how water sales can vary from budget depending on the usage in any given year. As can be seen in the table there have been numerous years when water sales were above budget, however, there have also been years when it is below budget. This variance is correlated with weather patterns as described in the next paragraph.



The unusually hot dry weather experienced in 2016 through 2018 and 2020, resulted in retail water sales that were significantly above budget projections. Meanwhile, the cooler, wetter weather during 2019 and 2023 resulted in retail water sales that were approximately \$0.29 million below budget. In 2022, usage was down significantly as watering restrictions were put in place due to drought conditions. However, the District has in place a Drought Response Plan that includes increasing rates to promote conservation and help offset any potential decrease in revenue, which in 2022, resulted in a small positive variance. In 2024 and 2025, the irrigation season began early followed by a hot and dry summer resulting in an increase in usage, which caused the positive variance of \$1.12 million and \$2.14 million in revenue, respectively.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

In addition to the variance in retail water sales due to weather, impact fee revenues can vary due to the building cycle as shown below. Since 2016, impact fee revenues have a 10-year average of \$1.35 million, however there can be significant swings as seen in 2020 and 2021, from a low of \$0.74 million in 2020, to a high the following year of \$3.40 million.



During 2025, impact fee revenues were below the 10-year average at \$0.82 million. Given the uncertainty of financial markets and the housing market in Park City, for 2026 the District has budgeted \$0.70 million in impact fee revenues.

To address the potential for large variations in revenue collections year-over-year, the District established revenue stabilization reserves to cover any potential annual revenue shortfalls. The District’s policy is to maintain at least \$1.00 million in these reserves that can only be used to make parity debt payments in case insufficient cash is generated from operations in any given year, or if other cash reserves are not available.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

As shown below, total revenue increased by \$2.03 million (10.6%) in 2025 to \$21.2 million.

Mountain Regional Water Special Service District's Revenue Summary
Year Ended December 31,

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Operating							
Retail water sales	\$ 14,866,383	\$ 12,702,577	\$ 10,260,138	\$ 2,163,806	17.0 %	2,442,439	23.8 %
Wholesale water sales & wheeling fees	1,493,668	1,694,978	1,966,364	(201,310)	(11.9)	(271,386)	(13.8)
Operating fees	421,838	516,220	622,151	(94,382)	(18.3)	(105,931)	(17.0)
Other	62,885	71,970	62,159	(9,085)	(12.6)	9,811	15.8
Total operating	<u>16,844,774</u>	<u>14,985,745</u>	<u>12,910,812</u>	<u>1,859,029</u>	12.4	<u>2,074,933</u>	16.1
Non-Operating							
Impact fees	817,534	1,156,954	851,870	\$ (339,420)	(29.3)	305,084	35.8
Interest income	1,457,455	2,123,495	1,291,807	(666,040)	(31.4)	831,688	64.4
Special district assessments	320,150	309,889	308,962	10,261	3.3	927	0.3
Intergovernmental grant revenue	11,667	11,667	11,667	-	0.0	-	0.0
Other nonoperating revenue	630,985	524,265	57,143	106,720	20.4	467,122	817.5
Gain on disposal of capital assets	1,087,261	28,032	33,187	1,059,229	3778.6	(5,155)	(15.5)
Total nonoperating	<u>4,325,052</u>	<u>4,154,302</u>	<u>2,554,636</u>	<u>170,750</u>	4.1	<u>1,599,666</u>	62.6
Total Revenue	<u>\$ 21,169,826</u>	<u>\$ 19,140,047</u>	<u>15,465,448</u>	<u>\$ 2,029,779</u>	10.6 %	<u>3,674,599</u>	23.8 %

In comparing 2025 to 2024 the following should be noted:

Retail water sales increased in 2025 by \$2.16 million (17.0%). The large revenue increase was due to usage by retail customers increasing by 10.94% when compared to 2024. Additionally, the District implemented a 5% rate increase in 2025 to cover increasing costs and received 128 new connection requests.

During 2025 the wholesale water revenues decreased by \$0.20 million (11.9%) due to two factors. First, the contracted amount of water sold under the Weber Basin Regionalization agreement decreased 100 acre-feet during 2025. This resulted in a decrease of \$0.18 million. Second, the amount of water wheeled to Park City Municipal through our partnership decreased by 126 acre-feet resulting in a decrease of \$0.10 million.

Impact fee revenue decreased in 2025 by \$0.34 million (29.3%) to \$0.82 million. As can be seen in the impact fee graph above, impact fees have experienced volatility since 2020, however the 2025 revenues were below the 10-year average.

Interest income decreased by \$0.67 million (31.4%) in 2025. The decrease was due to lower interest rates and lower cash balances due to the expenditure of the 2023 Bond proceeds for the construction of the administrative office and maintenance facility.

Other nonoperating revenue increased in 2025 by \$0.11 million. The increase was due to a federal direct pay reimbursement on the floating solar array on the Signal Hill Treatment Plant pond for \$0.55 million. In 2024, a grant had been received from Rocky Mountain Power for the same floating solar array in the

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

amount of \$0.40 million. In 2026, it is expected that other nonoperating revenue returns to more historical levels and is budgeted at \$0.42 million. Gain on disposal of capital assets increased by \$1.06 million mainly due to the net proceeds of \$0.85 million from the District's previous administrative office.

In comparing 2024 to 2023 the following should be noted:

Retail water sales increased in 2024 by \$2.44 million (23.8%). The large revenue increase was due to usage by retail customers increasing by 24.4% when compared to 2023 due to a hot dry summer in 2024. Additionally, the District implemented an 8% rate increase in 2024 to cover increasing costs.

During 2024 the wholesale water revenues decreased by \$0.27 million (13.8%) due to two factors. First, the contracted amount of water sold under the Weber Basin Regionalization agreement decreased 100 acre-feet during 2024. This resulted in a decrease of \$0.17 million. The water amount decreased another 100 acre-feet in 2025. Second, the amount of water wheeled to Park City Municipal decreased by 1,065 acre-feet resulting in a decrease of \$0.10 million.

Impact fee revenue increased in 2024 by \$0.31 million (35.8%) to \$1.16 million. As can be seen in the impact fee graph above, impact fees have experienced volatility since 2020, however the 2024 revenues are more in line with the 10-year average.

Interest income increased by \$0.83 million (64.4%) in 2024. The District had budgeted for an increase in interest income for 2024, however the increase was even higher than anticipated due to interest rates and cash balances remaining higher than projected.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Summary of Expenses

As shown below, District expenses increased \$0.96 million (7.4%) in 2025.

Mountain Regional Water Special Service District's Expense Summary
Year Ended December 31,

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Operating							
Operations, maintenance and repairs	\$ 3,454,067	\$ 3,429,127	\$ 3,281,238	\$ 24,940	0.7 %	147,889	4.5 %
Water production	2,925,944	2,535,216	2,411,318	390,728	15.4	123,898	5.1
Energy and technology management	762,997	718,334	645,070	44,663	6.2	73,264	11.4
Administration, finance, engineering and legal	2,483,195	2,205,397	1,935,364	277,798	12.6	270,033	14.0
Depreciation	<u>2,541,387</u>	<u>2,298,364</u>	<u>2,096,714</u>	<u>243,023</u>	10.6	<u>201,650</u>	9.6
Total operating	<u>12,167,590</u>	<u>11,186,438</u>	<u>10,369,704</u>	<u>981,152</u>	8.8	<u>816,734</u>	7.9
Non-Operating							
Interest expense	1,743,826	1,822,957	1,107,504	(79,131)	(4.3)	715,453	64.6
Bond issuance expenses	61,000	-	90,000	61,000		(90,000)	(100.0)
Other nonoperating expenses	<u>15,750</u>	<u>15,750</u>	<u>13,750</u>	<u>0</u>	0.0	<u>2,000</u>	14.5
Total nonoperating	<u>1,820,576</u>	<u>1,838,707</u>	<u>1,211,254</u>	<u>(18,131)</u>	(1.0)	<u>627,453</u>	51.8
Total Expenses	<u>\$ 13,988,166</u>	<u>\$ 13,025,145</u>	<u>11,580,958</u>	<u>\$ 963,021</u>	7.4 %	<u>1,444,187</u>	12.5 %

In comparing 2025 to 2024 the following should be noted:

Total operating expense increased by \$0.98 million (8.8%) in 2025. Water production costs increased 15.4% as the District treated and delivered more water than in 2024. Administration costs increased 12.6% as consulting engineering fees for non-capital projects increased, retirement costs increased due to new actuarial adjustments from the Utah Retirement System, and payment service fees increased due to a price increase from the District's payment processing partner and higher payment transactions.

Additionally, depreciation expense increased by 10.6% as the District added more capital assets.

Interest expense decreased \$0.08 million (4.3%) in 2025 as no new debt was issued and as the existing debt matures more of the annual payment goes towards principal.

The Bond issuance expense of \$0.06 million came from a non-refundable application deposit of \$0.02 million to the Environmental Protection Agency (EPA) for the Water Infrastructure Finance and Innovation Act (WIFIA) loan. The loan was closed during the first quarter of 2026. The other \$0.04 million was the charge from Fitch Ratings for a complete ratings review.

In comparing 2024 to 2023 the following should be noted:

Total operating expense increased by \$0.82 million (7.9%) in 2024. Although supplies, utilities and personnel costs continued to increase in 2024, it was not as high a rate as experienced in 2023 as inflation and COLA increases were less.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Interest expense increased \$0.72 million (64.6%) in 2024 due to the additional interest expense from the issuance of the Series 2023 bond in the amount of \$18.00 million. This bond was used to finance the construction of a new district office and maintenance facility.

Capital Assets as of December 31

At the end of 2025 and 2024, the District had capital assets (net of depreciation) totaling \$129.52 and \$114.96 million, respectively.

Mountain Regional Water Special Service District's Capital Assets (net of depreciation)
December 31,

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Land and water rights	\$ 22,439,112	\$ 22,541,554	\$ 22,541,554	\$ (102,442)	(0.5) %	\$ (0)	(0.0) %
Construction in progress	2,926,241	9,795,222	1,350,909	(6,868,981)	(70.1)	8,444,313	625.1
Water system infrastructure	75,300,111	73,417,248	73,267,941	1,882,863	2.6	149,307	0.2
Buildings, equipment and furnishings	28,859,165	9,202,069	7,622,664	19,657,096	213.6	1,579,405	20.7
Total capital assets (net)	<u>\$ 129,524,629</u>	<u>\$ 114,956,093</u>	<u>\$ 104,783,068</u>	<u>\$ 14,568,536</u>	12.7 %	<u>10,173,025</u>	9.7 %

Capital assets (net of depreciation) increased \$14.57 million (12.7%) to \$129.52 million in 2025. Most of the increase was due to the completion of the new administrative office and maintenance facility as can be seen in the increase in the buildings, equipment and furnishings category (\$19.66 million) and the decrease in the construction in progress category (\$6.87 million). Construction on the buildings began in 2024 and was completed in 2025.

Capital assets (net of depreciation) increased \$10.17 million (9.7%) to \$114.96 million in 2024, primarily due to the increase of \$8.44 million in construction in progress as work on the new office and maintenance facility continued. Additionally, buildings, equipment and furnishings increased by \$1.58 million as the District put in place a floating solar array on the pond located next to the Signal Hill Treatment Plant.

Long-term Obligations Outstanding as of December 31

As shown below, total long-term obligations decreased by \$2.93 and \$2.95 million (6.0% and 5.7%) during 2025 and 2024, respectively.

Notes and bonds payable, net of unamortized premiums, decreased by \$3.16 million during 2025 due to principal payments. This decrease was offset by increases in the other long-term liabilities categories. Net Pension Liability increased \$0.20 million and compensated absences increased \$0.03 million.

Notes and bonds payable, net of unamortized premiums, decreased by \$3.08 million during 2024 due to principal payments. This decrease was offset by increases in the other long-term liabilities categories. Net Pension Liability increased \$0.16 million and compensated absences increased \$0.07 million.

All current District obligations are scheduled to be paid off by 2044.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Mountain Regional Water Special Service District's Long-term Obligations
December 31,

				2025 to 2024 Change		2024 to 2023 Change	
	2025	2024	2023	\$	%	\$	%
Payable to Developer	\$ 469,075	\$ 504,140	\$ 557,484	\$ (35,065)	(7.0) %	\$ (53,344)	(9.6) %
Net Pension Liability	668,576	470,530	314,634	198,046	42.1	155,896	49.5
Compensated absences	646,702	613,598	547,096	33,104	5.4	66,502	12.2
Subscription liability	25,998	-	-	25,998	100.0	-	0.0
Lease liability	-	-	35,590	-	0.0	(35,590)	(100.0)
Notes and bonds payable	<u>44,332,267</u>	<u>47,488,583</u>	<u>50,567,559</u>	<u>(3,156,316)</u>	(6.6)	<u>(3,078,976)</u>	(6.1)
Total long-term obligations	<u>\$ 46,142,618</u>	<u>\$ 49,076,851</u>	<u>\$ 52,022,363</u>	<u>\$ (2,934,233)</u>	(6.0) %	<u>\$ (2,945,512)</u>	(5.7) %

In 2025 Fitch performed a formal rating and the District maintained its AA rating that had been affirmed in 2024.

The District continues to maintain all required bond debt reserves at mandatory levels and maintains additional debt reserves as well.

Requests for Information

This financial report is designed to provide a general overview of Mountain Regional Water Special Service District's finances for all those interested. Questions concerning this report or other financial information should be addressed to the Chief Financial Officer, Mountain Regional Water Special Service District, 5739 Paintbrush Road, Park City, Utah 94098.

BASIC FINANCIAL STATEMENTS

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
A Component Unit of Summit County, Utah
STATEMENTS OF NET POSITION

December 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and investments	\$ 13,430,031	\$ 10,622,608
Receivables:		
Accounts	1,367,314	1,208,335
Other	9,605	6,565
Current portion of special assessments receivable	335,000	325,000
Inventory	188,529	165,658
Prepaid items	<u>1,948,737</u>	<u>1,818,058</u>
Total current assets	17,279,216	14,146,224
Capital Assets:		
Land, water rights, and construction in progress	25,365,354	32,336,776
Depreciable, net of depreciation and amortization	<u>104,159,275</u>	<u>82,619,317</u>
Net capital assets	129,524,629	114,956,093
Other Assets:		
Restricted investments	12,465,441	24,176,771
Special assessments receivable	<u>1,039,576</u>	<u>1,309,974</u>
Total other assets	<u>13,505,017</u>	<u>25,486,745</u>
Total assets	160,308,862	154,589,062
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on bond refunding	647,129	727,186
Pensions	<u>1,123,148</u>	<u>1,091,990</u>
Total deferred outflows of resources	1,770,277	1,819,176

The accompanying notes are an integral part of this financial statement.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
A Component Unit of Summit County, Utah
STATEMENTS OF NET POSITION (Continued)

December 31, 2025 and 2024

	2025	2024
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 1,298,122	967,409
Construction retention payable	546,132	2,001,360
Accrued salaries and related benefits	76,812	87,057
Accrued interest	113,559	122,465
Customer deposits	1,779,700	1,397,756
Current portion of bonds and notes payable	3,186,830	3,100,084
Current portion of subscription liability	25,998	-
Current portion of payable to developers	235,366	167,712
Current portion of compensated absences	270,752	252,193
Total current liabilities	<u>7,533,271</u>	<u>8,096,036</u>
Long-Term Liabilities:		
Bonds and notes payable, net of unamortized premium, less current portion	41,145,437	44,388,499
Payable to developers	417,075	424,140
Compensated absences, less current portion	375,950	361,405
Net pension liability	668,576	470,530
Total long-term liabilities	<u>42,607,038</u>	<u>45,644,574</u>
Total liabilities	50,140,309	53,740,610
DEFERRED INFLOWS OF RESOURCES:		
Pensions	6,928	6,186
Grant revenue received in advance	93,334	105,001
Meter revenue received in advance	391,300	345,000
Total deferred inflows of resources	<u>491,562</u>	<u>456,187</u>
NET POSITION		
Net investment in capital assets	85,873,862	79,529,944
Restricted for capital projects	7,291,431	6,861,149
Restricted for debt service	2,418,428	2,952,224
Unrestricted	15,863,547	12,868,124
Total net position	<u>\$ 111,447,268</u>	<u>\$ 102,211,441</u>

The accompanying notes are an integral part of this financial statement.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
A Component Unit of Summit County, Utah
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues:		
Retail water sales	\$ 14,866,383	\$ 12,702,577
Wholesale water sales and wheeling fees	1,493,668	1,694,978
Operating fees	421,838	516,220
Other operating revenues	62,885	71,970
Total operating revenues	<u>16,844,774</u>	<u>14,985,745</u>
Operating Expenses:		
Operations, maintenance and repairs	3,454,067	3,429,127
Water production	2,925,944	2,535,216
Energy and technology management	762,997	718,334
Administration, finance, engineering, and legal	2,483,195	2,205,397
Depreciation	2,541,387	2,298,364
Total operating expenses	<u>12,167,590</u>	<u>11,186,438</u>
Operating Income	4,677,184	3,799,307
Nonoperating Revenues (Expenses):		
Impact fees	817,534	1,156,954
Interest income	1,457,455	2,123,495
Debt service assessments	320,150	309,889
Intergovernmental grant revenue	11,667	11,667
Other nonoperating revenue	630,985	524,265
Gain on the sale of capital assets	1,087,261	28,032
Bond issuance expense	(61,000)	-
Interest expense	(1,743,826)	(1,822,957)
Other nonoperating expenses	(15,750)	(15,750)
Total nonoperating revenues (expenses)	<u>2,504,476</u>	<u>2,315,595</u>
Income Before Capital Contributions	<u>7,181,660</u>	<u>6,114,902</u>
Capital Contributions	<u>2,054,167</u>	<u>921,003</u>
Change in Net Position	9,235,827	7,035,905
Net Position at Beginning of Year	<u>102,211,441</u>	<u>95,175,536</u>
Net Position at End of Year	<u>\$ 111,447,268</u>	<u>\$ 102,211,441</u>

The accompanying notes are an integral part of this financial statement.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
A Component Unit of Summit County, Utah
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Cash received from customers	\$ 16,729,055	\$ 15,035,231
Cash paid to suppliers	(5,656,475)	(3,973,499)
Cash paid to employees and for benefits	(4,887,112)	(4,365,940)
Net cash provided by operating activities	<u>6,185,468</u>	<u>6,695,792</u>
Cash Flows from Noncapital Financing Activities:		
Grants received	548,322	400,000
Cash Flows from Capital and Related Financing Activities:		
Interest paid	(1,728,906)	(1,911,121)
Impact fees collected	817,534	1,156,954
Special assessments collected	260,398	203,102
Debt service assessments collected	320,150	309,889
Other revenue collected	66,913	108,515
Purchases of capital assets	(15,041,673)	(9,549,279)
Proceeds from sale of capital assets	1,396,277	28,032
Bond issuance costs paid	(61,000)	-
Principal payments on subscription liability	(24,760)	-
Principal payments on lease liability	-	(35,590)
Principal payments on notes payable	(289,085)	(278,744)
Principal payments on bonds payable	(2,811,000)	(2,744,000)
Net cash used by capital and related financing activities	<u>(17,095,152)</u>	<u>(12,712,242)</u>
Cash Flows from Investing Activities:		
Interest received	<u>1,457,455</u>	<u>2,123,495</u>
Net Change in Cash and cash equivalents	(8,903,907)	(3,492,955)
Cash and cash equivalents at Beginning of Year	<u>34,799,379</u>	<u>38,292,334</u>
Cash and cash equivalents at End of Year (see Note 2)	<u><u>\$ 25,895,472</u></u>	<u><u>\$ 34,799,379</u></u>
A reconciliation of operating income to net cash flows provided by operating activities follows:		
Operating income	\$ 4,677,184	\$ 3,799,307
Depreciation	2,541,387	2,298,364
Changes in operating assets and liabilities:		
Receivables	(162,019)	190,486
Inventory	(22,871)	(26,591)
Prepaid items	(130,679)	(180,223)
Accounts payable	330,713	590,278
Construction retention payable	(1,727,569)	253
Accrued salaries and related benefits	(10,245)	(64,475)
Net collection of customer deposits	381,944	285,968
Payable to developer	60,589	(23,912)
Compensated absences	33,104	94,743
Net pension asset, liability and related deferrals	167,630	(127,406)
Deferred inflows of resources - meter revenues	46,300	(141,000)
Net cash provided by operating activities	<u><u>\$ 6,185,468</u></u>	<u><u>\$ 6,695,792</u></u>
Noncash financing, capital, or investing activities:		
Developer contributed capital assets	2,054,167	921,003
Capital assets acquired through retainage payable	272,341	2,001,107
Subscription assets acquired through subscription liability	50,758	-

The accompanying notes are an integral part of this financial statement.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mountain Regional Water Special Service District (the District) was formed in 1982 pursuant to a resolution adopted by the Summit County Commission (now Council) providing for the creation of the Atkinson Special Service District of Summit County, Utah. On February 2, 2000, the name was changed to Mountain Regional Water Special Service District, and its role was expanded to provide improved water utility services to additional existing areas and to areas of new growth and development within Snyderville Basin and the Promontory Development within Summit County.

This summary of significant accounting policies of the District is presented to assist in understanding the District's financial statements. The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Reporting Entity

The District is a component unit of Summit County, Utah and, as such, has been included in the basic financial statements of Summit County, Utah. The District is governed by the Summit County Council.

Measurement Focus and Basis of Accounting

The District is a government entity accounted for as an enterprise fund and categorized as a business-type activity. Operations are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The records of the District are maintained on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. Nonoperating revenues and expenses are those related to capital and related financing, noncapital financing, or investing activities.

In instances in which both restricted and unrestricted sources of revenues are earned for a similar purpose, the restricted revenues are applied toward expenses first.

Budgetary Basis

Budgetary procedures for the District have been established by *Utah Code* Annotated in Title 17B, Chapter 1 Provisions Applicable to All Local Districts. The District uses the same accounting method for preparing the budget as is used for financial reporting.

In accordance with state law, a budget is prepared on an annual basis. On or before the first regularly scheduled meeting of the Summit County Council in November, the Council must adopt a tentative budget for the following fiscal year for public review. At least thirty days after the tentative budget is adopted, but no later than December 31, the Council must hold a public hearing on the tentative budget. A final budget must be adopted by the Council no later than December 31.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT NOTES TO FINANCIAL STATEMENTS

Budgets may be changed by resolution of the Council at any time during the fiscal year at a regular meeting or special meeting called for that purpose.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all cash and highly liquid financial instruments purchased with original maturities of three months or less to be cash and cash equivalents.

Accounts Receivable

Accounts receivable due from customers are customer obligations due under normal trade terms requiring payment within 25 days from the invoice date. Each July or August, the Summit County Council places a lien on past due accounts that are equivalent and on parity with the property tax liens. During the remainder of the year, the District places a contractor's lien on the properties with past due accounts. The District also turns off the water for past due accounts.

Accounts receivable are stated at the amount billed to the customer including interest and late charges. The District charges interest on overdue customer account balances at a rate of 18% annually. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The District estimates an allowance for doubtful accounts based upon an evaluation of the current status of receivables, historical experience, and other factors as necessary. Since the District has the ability to utilize the two lien processes and to shut off water, it rarely has to write off bad debt, and currently makes no allowance for bad debt.

Inventory and Prepaid Items

Inventories are stated at the lower of cost or market determined by the first-in, first-out method.

The District made payments for goods and services that will be consumed or utilized in a future period.

Leases

The District is a lessee for a noncancellable lease of equipment and office space. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (a) the discount rate it uses to discount the expected lease payments to present value, (b) lease term, and (c) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT NOTES TO FINANCIAL STATEMENTS

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription-Based Information Technology Arrangements

A *Subscription Based Information Technology Arrangement (SBITA)* is a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The District recognizes a right-to-use subscription asset and a corresponding subscription liability in its financial statement.

At the commencement of a SBITA, the subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is measured as the sum of the initial subscription liability amount, the payments made to the SBITA vendor before commencement of the subscription term, and the capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. In the event amounts are prepaid, the District recognizes a prepaid expense in the financial statements and a subscription asset in the financial statements. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgments related to SBITAs include how the District determines (a) the discount rate it uses to discount the expected subscription payments to present value, (b) subscription term, and (c) subscription payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.

The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription payable are composed of fixed payments and other payments the District is reasonably certain will be required to be made to the SBITA.

Capital Assets

Capital additions, improvements and major renewals are classified as property, plant and equipment and are recorded at cost. The District capitalizes all fixed asset purchases with costs in excess of \$5,000. Major maintenance projects in excess of \$5,000 are examined to determine whether they should be capitalized or expensed.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

Depreciation is recorded by use of the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

Buildings	60 years
Improvements other than buildings	15 to 60 years
Office furniture and equipment	5 to 20 years

Maintenance, repairs and minor renewals are charged to operations as incurred. When an asset is disposed, accumulated depreciation is deducted from the original cost, and any gain or loss arising from the disposal is credited or charged to operations. No interest was capitalized during 2025 and 2024.

Intangible assets

The District records donated intangible assets meeting the criteria outlined in GASB Statement No. 51 at fair value.

Compensated Absences

During the year ended December 31, 2024, the District adopted Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The new standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid out upon termination or retirement. The District restated beginning net position due to implementing this standard.

The District permits eligible employees to accumulate earned, but unused, vacation and sick leave benefits while they are working for the District. Accrued vacation and sick leave are recorded in long-term liabilities.

Full-time, regular employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the District. Regular employees are entitled to all accrued vacation leave upon separation. When an employee terminates or retires, the District pays 100 percent of their vacation leave.

Employees also earn sick leave which may accumulate up to 400 hours. Upon separation from the District, all sick leave earned prior to January 1, 2017 is paid out at 100 percent of the amount accrued, while sick leave earned after January 1, 2017 is paid out at 50 percent of the amount accrued.

Pensions

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

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT NOTES TO FINANCIAL STATEMENTS

Long-Term Obligations

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of unamortized bond premiums or discounts.

Deferred Outflows of Resources

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

Deferred Inflows of Resources

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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds and other capital related liabilities), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

Assessments

The District assesses a special assessment and a debt service assessment. The special assessment is recognized as revenue when assessed (see Note 3). The debt service assessment is recognized as revenue each month when billed (see Note 5).

Estimates

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

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits and investments are carried at fair value. A reconciliation of cash and investments, as shown on the financial statements, is as follows at December 31, 2025:

Carrying amount of deposits	\$ 1,190,295
Carrying amount of investments	<u>24,705,177</u>
Total deposits and investments	<u><u>\$ 25,895,472</u></u>
Current assets - cash and cash equivalents	\$ 1,190,295
Current assets - investments	12,239,736
Other assets - restricted cash and cash equivalents	<u>12,465,441</u>
Total deposits and investments	<u><u>\$ 25,895,472</u></u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its depository and investing transactions. The District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers’ Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, bankers’ acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the state of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Deposits

The District’s carrying amount of bank deposits at December 31, 2025 is \$1,190,295 and the bank balance is \$1,559,424 (\$250,000 of which is covered by federal depository insurance). Uninsured deposits are not collateralized.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a formal policy for custodial credit risk other than to comply with the Act.

Investments

The District had a balance of \$24,705,177 held in the PTIF at December 31, 2025. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state’s name by the state’s custodial banks, primarily consisting of corporate bonds and notes. The portfolio has a weighted average maturity

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT NOTES TO FINANCIAL STATEMENTS

of 90 days or less. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to prevailing market interest rates. The PTIF has no debt securities with more than 5% of its total investments in a single issuer. The PTIF is not rated. The reported value of the pool is the same as the fair value of the pool shares and is not required to be reported in the fair value hierarchy.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and rules of the Council.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing interest rate risk is to comply with the Act.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and rules of the Council. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy is to follow the Act and the rules of the Council.

NOTE 3 – SPECIAL ASSESSMENT RECEIVABLE

During 2014, the District issued bonds and assessed property owners within the District to finance the cost to update the water system and related improvements. As of December 31, 2025 and 2024, the District has recorded a special assessment receivable of \$1,374,576 and \$1,634,974, respectively. See Note 5 for additional information about the Series 2014 bonds.

These assessments were authorized under *Utah Code* Title 17B and were levied based on the proportional benefit received by each property. The assessments are payable over a period of fifteen years. Additionally, Promontory (the developer) is charged for the debt service shortfall in any given year.

The receivable is secured by liens against the assessed properties and is considered fully collectible. As of December 31, 2025 and 2024, no allowance for doubtful accounts has been recorded, as management believes all amounts are fully collectible based on historical collection rates and lien enforceability.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CAPITAL ASSETS

The following changes occurred with respect to capital assets during the year ended December 31, 2025:

	Balance at Jan. 1, 2025	Additions	Deletions	Balance at Dec. 31, 2025
Capital assets not being depreciated:				
Land and water rights	\$ 22,541,554	\$ -	\$ (102,442)	\$ 22,439,112
Construction in progress	9,795,222	15,439,814	(22,308,794)	2,926,242
Total capital assets not being depreciated	32,336,776	15,439,814	(22,411,236)	25,365,354
Capital assets being depreciated:				
Buildings	8,452,890	19,042,659	(442,621)	27,052,928
Improvements other than buildings	101,281,599	3,727,236	-	105,008,835
Furniture and fixtures	218,260	433,949	-	652,209
Machinery and equipment	4,428,955	398,331	(89,022)	4,738,264
Vehicles	1,729,324	486,000	(90,255)	2,125,069
Subscription asset	-	300,786	-	300,786
Total capital assets being depreciated	116,111,028	24,388,961	(621,898)	139,878,091
Accumulated depreciation for:				
Buildings	(3,040,216)	(147,075)	222,201	(2,965,090)
Improvements other than buildings	(27,864,351)	(1,844,373)	-	(29,708,724)
Furniture and fixtures	(80,281)	(12,544)	-	(92,825)
Machinery and equipment	(1,397,595)	(263,444)	23,989	(1,637,050)
Vehicles	(1,109,268)	(173,728)	68,131	(1,214,865)
Subscription asset	-	(100,262)	-	(100,262)
Total accumulated depreciation	(33,491,711)	(2,541,426)	314,321	(35,718,816)
Net capital assets being depreciated	82,619,317	21,847,535	(307,577)	104,159,275
Net capital assets	\$ 114,956,093	\$ 37,287,349	\$ (22,718,813)	\$ 129,524,629

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

The following changes occurred with respect to capital assets during the year ended December 31, 2024:

	Balance at Jan. 1, 2024	Additions	Deletions	Balance at Dec. 31, 2024
Capital assets not being depreciated:				
Land and water rights	\$ 22,541,554	\$ -	\$ -	\$ 22,541,554
Construction in progress	1,350,909	11,137,809	(2,693,496)	9,795,222
Total capital assets not being depreciated	23,892,463	11,137,809	(2,693,496)	32,336,776
Capital assets being depreciated:				
Buildings	8,452,890	-	-	8,452,890
Improvements other than buildings	99,341,158	1,940,441	-	101,281,599
Furniture and fixtures	218,260	-	-	218,260
Machinery and equipment	2,480,283	1,948,672	-	4,428,955
Vehicles	1,642,724	137,963	(51,363)	1,729,324
Leased machinery and equipment	34,544	-	(34,544)	-
Leased office space	82,086	-	(82,086)	-
Total capital assets being depreciated	112,251,945	4,027,076	(167,993)	116,111,028
Accumulated depreciation for:				
Buildings	(2,893,843)	(146,373)	-	(3,040,216)
Improvements other than buildings	(26,073,217)	(1,791,134)	-	(27,864,351)
Furniture and fixtures	(67,737)	(12,544)	-	(80,281)
Machinery and equipment	(1,236,116)	(161,479)	-	(1,397,595)
Vehicles	(1,010,648)	(149,983)	51,363	(1,109,268)
Leased machinery and equipment	(31,989)	(2,555)	34,544	-
Leased office space	(47,790)	(34,296)	82,086	-
Total accumulated depreciation	(31,361,340)	(2,298,364)	167,993	(33,491,711)
Net capital assets being depreciated	80,890,605	1,728,712	-	82,619,317
Net capital assets	\$ 104,783,068	\$ 12,866,521	\$ (2,693,496)	\$ 114,956,093

Depreciation expense for the years ended December 31, 2025 and 2024 was \$2,541,387 and \$2,298,364, respectively.

The District's construction commitments as of December 31, 2025 are as follows:

Project	Project Authorized	Costs to Date	Costs to Complete
Treatment plant expansion	\$ 4,311,874	2,530,475	1,781,399
Others	1,760,500	395,767	1,364,733
Totals	\$ 6,072,374	\$ 2,926,242	\$ 3,146,132

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – LONG-TERM LIABILITIES

Long-term liabilities were as follows for the year ended December 31, 2025:

	Balance at Jan. 1, 2025	Additions	Deletions	Balance at Dec. 31, 2025	Due Within One Year
Water revenue bonds	\$ 23,575,000	\$ -	\$ (2,420,000)	\$ 21,155,000	\$ 2,490,000
Water revenue bonds (direct placement)	21,460,000	-	(391,000)	21,069,000	397,000
Notes payable (direct placement)	2,167,742	-	(289,085)	1,878,657	299,830
Unamortized premiums	285,841	-	(56,231)	229,610	-
Subscription liability	-	50,758	(24,760)	25,998	25,998
Payable to developers	504,140	-	(35,065)	469,075	52,000
Compensated absences *	613,598	33,104	-	646,702	270,752
Net pension liability	470,530	666,527	(468,481)	668,576	-
Total long-term liabilities	<u>\$ 49,076,851</u>	<u>\$ 750,389</u>	<u>\$ (3,684,622)</u>	<u>\$ 46,142,618</u>	<u>\$ 3,535,580</u>

Long-term liabilities were as follows for the year ended December 31, 2024:

	Balance at Jan. 1, 2024	Additions	Deletions	Balance at Dec. 31, 2024	Due Within One Year
Water revenue bonds	\$ 25,935,000	\$ -	\$ (2,360,000)	\$ 23,575,000	\$ 2,420,000
Water revenue bonds (direct placement)	21,844,000	-	(384,000)	21,460,000	391,000
Notes payable (direct placement)	2,446,486	-	(278,744)	2,167,742	289,084
Unamortized premiums	342,073	-	(56,232)	285,841	-
Lease liabilities	35,590	-	(35,590)	-	-
Payable to developer	557,484	-	(53,344)	504,140	167,712
Compensated absences *	547,096	66,502	-	613,598	252,193
Net pension liability	314,634	656,430	(500,534)	470,530	-
Total long-term liabilities	<u>\$ 52,022,363</u>	<u>\$ 722,932</u>	<u>\$ (3,668,444)</u>	<u>\$ 49,076,851</u>	<u>\$ 3,519,989</u>

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

All of the District's bonds and the Weber Basin notes are payable from and secured solely by a pledge and assignment of the Net Revenues from the District's water system and funds on deposit in accounts held by the District's trustee, Zions Bank. See Note 7 – Pledged Revenues for further discussion of Net Revenues.

In addition, as part of the Series 2014 issuance, a portion of the District's revenue bonds are also secured by special assessments on property within a special improvement district (see Note 3). Principal and interest payments are due annually and semi-annually.

In the event of default on the District's bonds, the trustee may pursue any available remedy by suit law or in equity to enforce payment of the principal and interest then outstanding or to enforce any obligations of the District under its bond indenture. The District has bond insurance in place on its non-direct placement bonds and in the event of default under the District's bond indenture, the insurer becomes the sole owner of the bonds and is entitled to control and direct the enforcement of all rights and remedies granted to the owners of the bonds.

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Water Revenue Bonds

A summary of principal debt requirements to maturity for the water revenue bonds for the years following December 31, 2025 are as follows:

Year Ending December 31,	Outstanding Water Revenue Bonds		Outstanding Bonds Water Revenue (Direct Placement)		Total
	Principal	Interest	Principal	Interest	
2026	\$ 2,490,000	\$ 609,047	\$ 397,000	\$ 969,998	\$ 4,466,045
2027	2,550,000	542,191	403,000	963,550	4,458,741
2028	2,620,000	470,483	409,000	957,002	4,456,485
2029	2,705,000	394,629	417,000	950,318	4,466,947
2030	2,780,000	313,503	237,000	943,500	4,274,003
2031-2035	8,010,000	486,796	3,066,000	4,634,409	16,197,205
2036-2040	-	-	7,955,000	3,483,205	11,438,205
2041-2044	-	-	8,185,000	1,193,160	9,378,160
	<u>\$ 21,155,000</u>	<u>\$ 2,816,649</u>	<u>\$ 21,069,000</u>	<u>\$ 14,095,140</u>	<u>\$ 59,135,789</u>

Water revenue bonds payable with their outstanding balance are comprised of the following individual issues at December 31, 2025:

Series	Purpose	Original Amount	Interest Rate Range	Final Maturity Date	Outstanding Balance
2008	<i>Fire prevention system in Stagecoach Area</i>	\$ 3,026,000	2.00%	2029	\$ 704,000
2011A	<i>Refunding Series 2002 and 2009A water revenue bonds</i>	679,000	1.52%	2031	248,000
2011B	<i>New SCADA system and skid-mounted pretreatment unit</i>	1,278,000	0.00%	2032	458,000
2014	<i>Water system and improvements</i>	8,140,000	4.00% - 4.50%	2030	3,065,000
2019A	<i>Partial refunding of Series 2012 and 2014 water revenue bonds</i>	25,815,000	2.20% - 3.03%	2034	18,090,000
2019B	<i>Community Water System</i>	2,600,000	2.00%	2038	1,659,000
2023	<i>Administration, shop and storage buildings</i>	18,000,000	4.15% - 5.85%	2044	18,000,000
					<u>\$ 42,224,000</u>

The Series 2008 and 2019B bonds have an associated debt service assessment to properties that were annexed into the District during 2008 and 2019 to help finance the cost of improvements. The District recognizes revenue for the assessment each month when the assessment is billed with the regular water sales. During the years ended December 31, 2025 and 2024, the District collected \$320,150 and \$309,889, respectively, of debt service assessments.

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Notes Payable

The District has two notes payable to Weber Basin Water Conservancy District. These notes have an interest rate of 4.60% and have annual payments of \$191,133. The notes mature in 2029 and 2037.

The District has a note payable to Summit County. This note has an interest rate of 3.00% and has an annual payment of \$178,560. The note matures in 2033.

The following is a schedule of future debt service requirements on the notes payable:

Year Ending December 31,	Weber Basin - Capital Facilities		Weber Basin - Transformer Upgrade		Summit County		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 144,675	\$ 27,089	\$ 11,682	\$ 7,990	\$ 143,473	\$ 35,086	\$ 369,995
2027	151,330	20,726	12,219	7,476	147,452	31,109	370,312
2028	154,564	14,071	12,781	6,939	151,539	27,021	366,915
2029	-	7,109	13,369	6,377	155,741	22,819	205,415
2030	-	-	13,984	5,789	160,058	18,502	198,333
2031-2035	-	-	80,181	19,135	507,295	28,385	634,996
2036-2037	-	-	18,314	2,490	-	-	20,804
	<u>\$ 450,569</u>	<u>\$ 68,995</u>	<u>\$ 162,530</u>	<u>\$ 56,196</u>	<u>\$ 1,265,558</u>	<u>\$ 162,922</u>	<u>\$ 2,166,770</u>

Lease Liability

The District entered into lease agreements as lessee for the right to use office space and equipment. The leases were paid off during 2024 and are fully amortized.

Subscription Liability

The District has recognized a subscription payable for asset management software. As of December 31, 2025 and 2024, the value of the subscription payable was \$25,998 and \$0, respectively. The District is required to make annual principal payments of \$25,998. The subscription assets have an estimated useful life over the estimated terms of the agreement that is 3 years. The value of the subscription assets as of December 31, 2024, was \$300,786 and the accumulated amortization was \$100,262.

NOTE 6 – RETIREMENT PLANS

Description of Plans

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

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

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT NOTES TO FINANCIAL STATEMENTS

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)

District employees qualify for membership in the retirement systems if employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 systems.

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

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

Benefits Provided

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

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

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

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS**

Contributions

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

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

	Defined Benefit Plans Rates		District Rates for 401(k) Plan	Paid by Employee	Totals
	District Contribution *	Amortization of UAAL **			
Tier 1 Noncontributory System	11.86%	4.11%	-	-	15.97 %
Tier 2 Public Employees System	10.08%	4.11%	-	0.81%	14.19 %
Tier 2 Defined Contribution System	0.08%	4.11%	10.00%	-	14.19 %

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

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

District and employee contributions to the plans were as follows for the year ended December 31, 2025:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 230,804	\$ -
Tier 2 Public Employees System	214,172	11,018
Tier 2 Defined Contribution System	23,805	-
401(k) Plan	51,664	-

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

Pension Assets and Liabilities, Pension 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 \$668,576 for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 523,110
Tier 2 Public Employees System	-	145,466
Total	\$ -	\$ 668,576

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

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

	<u>Proportionate Share</u>	
	<u>2024</u>	<u>Change</u>
Tier 1 Noncontributory System	0.1649610 %	0.0025827 %
Tier 2 Public Employees System	0.0487750 %	0.0005398 %

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

	<u>Pension Expense</u>
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 477,523
Tier 2 Public Employees System	<u>158,588</u>
Total	<u><u>\$ 636,111</u></u>
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 23,805
401(k) Plan	<u>51,664</u>
Total	<u><u>\$ 75,469</u></u>

The District reported deferred outflows of resources related to defined benefit pension plans from the following sources at December 31, 2025:

	<u>Deferred Outflows of Resources Related to Pensions</u>		
	<u>Tier 1</u>	<u>Tier 2 Public</u>	<u>Total</u>
	<u>Noncontributory System</u>	<u>Employees System</u>	
Differences between expected and actual experience	\$ 311,699	\$ 62,886	\$ 374,585
Changes of assumptions	43,271	48,584	91,855
Net difference between projected and actual earnings on pension plan investments	157,569	9,298	166,867
Changes in proportion and differences between District contributions and proportionate share of contributions	-	21,061	21,061
Contributions subsequent to the measurement date	<u>230,804</u>	<u>237,976</u>	<u>468,780</u>
Total	<u><u>\$ 743,343</u></u>	<u><u>\$ 379,805</u></u>	<u><u>\$ 1,123,148</u></u>

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

The District reported deferred inflows of resources related to defined benefit pension plans from the following sources at December 31, 2025:

	Deferred Inflows of Resources Related to Pensions		
	Tier 1	Tier 2 Public	Total
	Noncontributory System	Employees System	
Differences between expected and actual experience	\$ -	\$ 1,002	\$ 1,002
Changes of assumptions	-	15	15
Changes in proportion and differences between District contributions and proportionate share of contributions	4,681	1,230	5,911
Total	\$ 4,681	\$ 2,247	\$ 6,928

The \$468,780 reported as deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date of December 31, 2024 will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending December 31,	Tier 1 Noncontributory System	Tier 2 Public Employees System	Total
2026	\$ 296,328	\$ 16,482	\$ 312,810
2027	287,143	25,617	312,760
2028	(63,937)	10,891	(53,046)
2029	(11,676)	13,538	1,862
2030	-	32,435	32,435
Thereafter	-	40,619	40,619

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the January 1, 2024 valuation were based on an experience study of the demographic assumptions for the period ending December 31, 2022. No actuarial assumptions have changed since the last actuarial study.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

The long-term expected rate of return on defined benefit 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity securities	35.00%	2.45%
Debt securities	20.00%	0.51%
Real assets	18.00%	0.98%
Private equity	12.00%	1.21%
Absolute return	15.00%	0.65%
Cash and cash equivalents	0.00%	0.00%
Total	<u>100%</u>	

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, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

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

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

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	\$ 2,212,328	\$ 523,110	\$ (893,596)
Tier 2 Public Employees System	<u>434,472</u>	<u>145,466</u>	<u>(79,352)</u>
Total	<u>\$ 2,646,800</u>	<u>\$ 668,576</u>	<u>\$ (972,948)</u>

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plans

The District reported payables of \$5,868 for contributions to defined benefit pension plans and defined contribution plans at December 31, 2025.

NOTE 7 – PLEDGED REVENUES

The District has pledged all its Net Revenue cash, excluding grants, totaling \$74.9 million through 2044 - which is 1.25 times the \$59.9 million in required parity debt service payments through 2044. Parity debt includes water revenue bonds plus notes payable issued by Weber Basin Water Conservation District. These bonds and notes were used to finance infrastructure improvements within the District.

Net Revenue is defined as all gross cash revenue, excluding grants, less reasonable Operations & Maintenance costs for the District to operate and maintain the water system in good working order. For 2025, Net Revenue was \$11.2 million and debt service payments on the bonds and notes were \$4.5 million.

NOTE 8 – PAYABLE TO DEVELOPERS

The District entered into an agreement with a developer during 2000 regarding the prepayment of municipal use impact fees. Under the terms of this agreement, the developer agreed to prepay the District \$6,300 per Equivalent Residential Connection (ERC) for 240 ERC’s. These prepaid impact fees were recorded by the District as an accrued liability to the developer. During 2004, the developer prepaid an additional \$1.2 million for the irrigation impact fee or an additional \$9,129 per lot, on the lots still owned by the developer. The developer also prepaid the total impact fee for two other lots at \$16,650 each. These prepaid impact fees were recorded by the District as a payable to the developer.

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO FINANCIAL STATEMENTS

The District is to repay this liability to the developer through the collection of impact fees from individuals who purchase the building lots from the developer. The outstanding payable to this developer for prepaid impact fees as of December 31, 2025 and 2024 was \$469,075 and \$504,140, respectively. The District has similar agreements with other developers and those amounts as of December 31, 2025 and 2024 were \$183,366 and \$87,712, respectively.

NOTE 9 – RISK MANAGEMENT

The District maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$3,000,000 per occurrence through policies administered by the Utah Local Governments Trust. The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Utah Local Governments Trust. This all-risk insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of \$1,000 per occurrence. Settled claims have not exceeded the District’s insurance coverage for any of the past three years.

The District also maintains a public treasurer’s fidelity bond with a private carrier. All District employees are covered for workers’ compensation by the WCF Mutual Insurance Company. Unemployment insurance is covered by the District on a pay-as-you-go basis. Claims have been minimal for the past three years.

NOTE 10 - RELATED PARTY TRANSACTIONS

Summit County, a related party, purchases water from the District at board approved water rates. The District sold water totaling \$94,521 and \$78,468 to the County during the years ended December 31, 2025 and 2024, respectively. The amount owed to the District from Summit County at December 31, 2025 and 2024 totaled \$6,038 and \$4,464, respectively.

Snyderville Basin Special Recreation District (SBSRD), a component unit of Summit County, also purchases water from the District at board approved water rates. The District sold water totaling \$43,190 and \$41,294 to SBSRD during the years ended December 31, 2025 and 2024, respectively. The amount owed the District from SBSRD at December 31, 2025 and 2024 totaled \$2,557 and \$2,425, respectively.

NOTE 11 – SUBSEQUENT EVENTS

After year-end, the District received a \$38,031,340 loan from the Water Infrastructure Finance and Innovation Act (WIFIA). The loan proceeds will be used to expand drinking water services in Park City, Utah.

REQUIRED SUPPLEMENTARY INFORMATION

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)
Utah Retirement Systems
Last Ten Plan Years

	District's Proportion of Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2024	0.1649610%	\$ 523,110	\$ 1,361,165	38.4 %	96.0%
2023	0.1623783%	376,647	1,347,178	28.0 %	96.9%
2022	0.1540714%	263,886	1,212,697	21.8 %	97.5%
2021	0.1429613%	(818,755)	1,092,397	(75.0)%	108.7%
2020	0.1505482%	77,223	1,212,062	6.4 %	99.2%
2019	0.1554776%	585,975	1,276,178	45.9 %	93.7%
2018	0.1689206%	1,243,885	1,391,796	89.4 %	87.0%
2017	0.1738540%	761,707	1,451,472	52.5 %	91.9%
2016	0.1737704%	1,115,819	1,467,356	76.0 %	87.3%
2015	0.1712125%	968,804	1,412,164	68.6 %	87.8%
Tier 2 Public Employees Retirement System:					
2024	0.0487750%	\$ 145,466	\$ 1,445,148	10.1 %	87.4%
2023	0.0482352%	93,884	1,247,045	7.5 %	89.6%
2022	0.0466060%	50,748	1,013,939	5.0 %	92.3%
2021	0.3381960%	(14,314)	627,429	(2.3)%	103.8%
2020	0.0301956%	4,343	482,509	0.9 %	98.3%
2019	0.0274599%	6,176	381,495	1.6 %	96.5%
2018	0.0285559%	12,230	332,677	3.7 %	90.8%
2017	0.0246634%	2,175	241,614	0.9 %	97.4%
2016	0.0302245%	3,372	247,865	1.4 %	95.1%
2015	0.0397209%	(87)	256,656	(0.0)%	100.2%

MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
Schedules of District Contributions
Utah Retirement Systems
Last Ten Reporting Years

	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
Tier 1 Noncontributory System:					
2025	\$ 230,804	\$ 230,804	\$ -	\$ 1,402,210	16.46%
2024	237,811	237,811	-	1,361,292	17.47%
2023	233,076	233,076	-	1,297,032	17.97%
2022	220,821	220,821	-	1,212,697	18.21%
2021	201,766	201,766	-	1,092,397	18.47%
2020	221,480	221,480	-	1,239,568	17.87%
2019	235,447	235,447	-	1,274,754	18.47%
2018	257,065	257,065	-	1,499,825	17.14%
2017	269,625	269,625	-	1,455,675	18.52%
2016	271,021	271,021	-	1,484,334	18.26%
Tier 2 Public Employees System:					
2025	\$ 214,172	\$ 214,172	\$ -	\$ 1,464,096	14.63%
2024	226,344	226,344	-	1,465,380	15.45%
2023	192,712	192,712	-	1,206,504	15.97%
2022	162,583	162,583	-	1,013,939	16.03%
2021	100,054	100,054	-	627,429	15.95%
2020	76,278	76,278	-	484,853	15.73%
2019	59,522	59,522	-	381,495	15.60%
2018	51,080	51,080	-	332,852	15.35%
2017	36,444	36,444	-	244,848	14.88%
2016	38,422	38,422	-	257,695	14.91%
Tier 2 Defined Contribution System:					
2025	\$ 23,805	\$ 23,805	\$ -	\$ 509,141	4.68%
2024	19,987	19,987	-	355,082	5.63%
2023	17,203	17,203	-	277,910	6.19%
2022	19,087	19,087	-	295,795	6.45%
2021	26,054	26,054	-	389,448	6.69%
2020	20,502	20,502	-	311,533	6.58%
2019	19,429	19,429	-	290,416	6.69%
2018	16,813	16,813	-	251,311	6.69%
2017	14,081	14,081	-	210,476	6.69%
2016	8,697	8,697	-	130,001	6.69%

**MOUNTAIN REGIONAL WATER SPECIAL SERVICE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

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

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

NOTE B – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

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

OTHER INFORMATION

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
DEBT COVERAGE RATIO
Year Ended December 31, 2025

Bond covenants require the District to set rates, fees, and ongoing expenditures such that once all other operational costs are paid each year, the amount left to pay debt service is 1.25 times scheduled parity debt payments. As shown below, the debt coverage ratio from operations increased from 2.16 in 2024 to 2.51 in 2025.

Mountain Regional Water Special Service District's Debt Service Coverage Ratio

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Water sales	\$ 16,360,052	\$ 14,397,555	\$ 12,226,502
Operating fees	421,837	516,220	622,151
Impact fees	817,534	1,156,954	851,870
Debt service assessments & special assessment collections	634,065	539,506	542,839
Interest available for debt service	1,361,507	2,054,547	1,223,091
Other non-restricted cash revenue	<u>1,232,810</u>	<u>224,304</u>	<u>152,489</u>
Total cash revenue available for debt service from current year operations	20,827,805	18,889,085	15,618,942
Current Year operating expenses	<u>(9,626,208)</u>	<u>(9,052,333)</u>	<u>(8,516,622)</u>
Net Revenue available for debt service payments from current year operations	<u>11,201,597</u>	<u>9,836,753</u>	<u>7,102,320</u>
Current year parity debt service payments	<u>4,459,298</u>	<u>4,564,463</u>	<u>3,545,895</u>
Debt Service Coverage from current year operations	<u>2.51</u>	<u>2.16</u>	<u>2.00</u>
Net Revenue available for debt service payments from current year operations	11,201,597	9,836,753	7,102,320
Rate Stabilization account balance	<u>1,575,131</u>	<u>1,502,268</u>	<u>1,702,952</u>
Total cash available for debt service payments	<u>\$ 12,776,728</u>	<u>\$ 11,339,021</u>	<u>\$ 8,805,272</u>
Debt service coverage with Rate Stabilization account	<u>2.87</u>	<u>2.48</u>	<u>2.48</u>

The ratio for 2025 was higher than originally projected due to water sales and other non-restricted cash revenue (sale of the previous administrative office). The budgeted ratio for 2026 is 1.47 based on lower interest earnings, no large one-time sale of assets, and increased expenses.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
CASH FLOW ANALYSIS
Year Ended December 31, 2025

As shown below, total cash and cash equivalents decreased \$8.90 million (25.6%) in 2025 after having decreased by \$3.49 million (9.1%) in 2024. The decreases over the last two years are due to the expenditure of the Series 2023 bond funds for the construction of the new administrative office and maintenance facility.

Mountain Regional Water Special Service District's Cash and Cash Equivalents Summary

	2025	2024	2023	2025 to 2024 Change		2024 to 2023 Change	
				\$	%	\$	%
Unrestricted							
Operating	\$ 10,262,829	\$ 7,330,618	\$ 8,514,669	\$ 2,932,211	40.0 %	(1,184,051)	(13.9) %
Rate stabilization reserves for:							
Debt Service	1,077,659	1,031,423	1,246,422	46,236	4.5	(214,999)	(17.2)
Treatment plant	497,472	470,845	456,530	26,627	5.7	14,315	3.1
Drought Reserve	892,910	875,445	847,460	17,465	2.0	27,985	3.3
Regionalization Reserves	699,161	669,164	634,648	29,997	4.5	34,516	5.4
Total unrestricted cash and cash equivalents	<u>13,430,031</u>	<u>10,377,494</u>	<u>11,699,729</u>	<u>3,052,537</u>	29.4	<u>(1,322,235)</u>	(11.3)
Restricted for debt payments							
Held by trustee	711,703	967,554	753,035	(255,851)	(26.4)	214,519	28.5
Held by district	445,707	472,161	601,352	(26,454)	(5.6)	(129,191)	(21.5)
Total cash and cash equivalents restricted for debt payments	<u>1,157,410</u>	<u>1,439,715</u>	<u>1,354,387</u>	<u>(282,305)</u>	(19.6)	<u>85,328</u>	6.3
Other restricted							
Impact Fee Reserves	5,100,235	5,249,321	4,645,830	(149,086)	(2.8)	603,491	13.0
Capital facilities construction, repair & replacement reserves	2,845,136	2,203,680	1,492,370	641,456	29.1	711,310	47.7
Customer Deposits	1,778,200	1,397,756	1,114,649	380,444	27.2	283,107	25.4
Bond Construction	1,584,458	14,131,412	17,985,369	(12,546,954)	(88.8)	(3,853,957)	
Total other restricted	<u>11,308,029</u>	<u>22,982,169</u>	<u>25,238,218</u>	<u>(11,674,140)</u>	(50.8)	<u>(2,256,049)</u>	(8.9)
Total cash and cash equivalents	25,895,470	\$ 34,799,378	\$ 38,292,334	\$ (8,903,908)	(25.6) %	\$ (3,492,956)	(9.1) %

During 2025, unrestricted cash reserves increased by \$3.05 million (29.4%) due to higher operating income. In 2024 unrestricted cash reserves decreased by \$1.32 million (11.3%) due to the use of these funds for certain capital assets including the floating solar array.

Operating cash and reserves of \$10.26 million on December 31, 2025, equates to 350 days reserves and is up from \$7.33 million or 291-days reserves at year-end 2024. District policy requires a minimum 180-day reserve year-round.

Cash restricted for debt payments has been maintained at mandatory levels or higher since the District's inception and was \$1.16 million as of December 31, 2025 (\$1.44 million on December 31, 2024).

Other restricted cash decreased in 2025 by \$11.67 million (50.8%) as Series 2023 funds were used to fund the completion of the new District office and maintenance facility.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
BUDGETARY INFORMATION
Year Ended December 31, 2025

The District realized a \$9.24 million change in net position for 2025. After adjusting the budget for non-cash year-end journal entries, the District's change in net position exceeded budget by \$3.93 million, as shown below.

Mountain Regional Water Special Service District's Cash and Cash Equivalents Summary

	2025 Amended Budget	Retirement Accrual	Change In Inventory	Contributions In-Aid	2025 Adjusted Budget	2025 Actual	Favorable (Unfavorable)	%
Operating revenues:								
Water Sales	\$ 14,212,800	\$ -	\$ -	\$ -	\$ 14,212,800	\$ 16,360,051	\$ 2,147,251	
Operating fees	491,800	-	-	-	491,800	421,837	(69,963)	
Other	47,500	-	-	-	47,500	62,885	15,385	
Total operating revenue	14,752,100	-	-	-	14,752,100	16,844,773	2,092,673	14.2%
Operating expenses:								
Operations								
Energy & resource management	895,200	17,038	-	-	912,238	762,997	149,241	
Lost Canyon water transmission	2,174,900	15,915	-	-	2,190,815	2,030,754	160,061	
Treatment plant	1,019,300	16,548	-	-	1,035,848	895,185	140,663	
Distribution	3,706,300	46,030	(22,871)	-	3,729,459	3,370,983	358,476	
Safety	105,900	1,128	-	-	107,028	83,081	23,947	
Subtotal Line item	7,901,600	96,659	(22,871)	-	7,975,388	7,143,000	832,388	10.4%
General Manager								
Administration, finance, engineering and legal	1,580,800	44,800	-	-	1,625,600	1,588,943	36,657	
Subtotal Line item	1,580,800	44,800	-	-	1,625,600	1,588,943	36,657	
Public services								
Public services	918,500	26,171	-	-	944,671	894,264	50,407	
Subtotal Line item	918,500	26,171	-	-	944,671	894,264	50,407	
Non-cash Expenses								
Depreciation	2,467,300	-	-	-	2,467,300	2,541,387	(74,087)	
Subtotal Line item	2,467,300	-	-	-	2,467,300	2,541,387	(74,087)	
Total operating expenses	12,868,200	167,630	(22,871)	-	13,012,959	12,167,594	845,365	6.5%
Operating income	1,883,900	(167,630)	22,871	-	1,739,141	4,677,179	1,247,308	
Non-Operating revenue:								
Grants	11,700	-	-	-	11,700	11,667	(33)	
Interest Income	1,175,000	-	-	-	1,175,000	1,403,939	228,939	
Impact fees	600,000	-	-	-	600,000	817,534	217,534	
Special assessments	307,000	-	-	-	307,000	373,666	66,666	
Other non-operating revenue	1,455,700	-	-	-	1,455,700	1,718,246	262,546	
Total non-operating revenue	3,549,400	-	-	-	3,549,400	4,325,052	775,652	21.9%
Non-Operating expenses:								
Interest expense	1,758,400	-	-	-	1,758,400	1,743,827	14,573	
Bond insurance and insurance cost amortization	263,000	-	-	-	263,000	63,000	200,000	
Trustee fees	14,000	-	-	-	14,000	13,750	250	
Total non-operating expenses	2,035,400	-	-	-	2,035,400	1,820,577	214,823	10.6%
Total non-operating income	1,514,000	-	-	-	1,514,000	2,504,475	560,829	
Income (loss) before contributions and special items	3,397,900	(167,630)	22,871	-	3,253,141	7,181,654	3,928,513	
Contributions -in-aid of construction	-	-	-	2,054,167	2,054,167	2,054,167	-	
Change in net position	\$ 3,397,900	\$ (167,630)	\$ 22,871	\$ 2,054,167	\$ 5,307,308	\$ 9,235,821	\$ 3,928,513	74.0%

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
BUDGETARY INFORMATION
Year Ended December 31, 2025

The non-cash year-end budget adjustments include the non-budgeted pension accrual required by GASB Statement No. 68. During 2025, expenses related to the pensions were higher than budgeted by \$167,630 based on the difference between the \$636,111 in actuarial pension benefit reported on these financial statements, and the \$468,481 in actual contributions. Projected cash contributions to pension plans are used to develop budgets.

In addition, the budget was adjusted by \$22,871 to reflect a decrease in expenses that resulted when inventory was adjusted by that amount as of December 31, 2025.

The \$2.05 million in contributions in-aid-of construction was added to the 2025 budget to account for non-cash contributions of capital assets to the District by developers during the year. The District does not budget for contributions-in-aid of construction since the amounts are not known when the budget is adopted.

The \$3.93 million positive budget variance for 2025 was driven by water sales exceeding budget by \$2.15 million and total non-operating revenue exceeding budget by \$0.77 million. Additionally, operating expenses were lower than budget by \$0.83 million.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
IMPACT FEES (CASH BASIS)
Year Ended December 31, 2025

As shown below, the District has collected \$22.28 million in impact fees and another \$1.38 million in related interest earnings since impact fees were first adopted by the District in 2003.

Mountain Regional Water Impact Fees Collections & Expenditures
(Cash Basis)

	2003 to 2020	2021	2022	2023	2024	2025	Total
Cash Collections							
Impact Fees	\$ 14,555,322	\$ 3,397,951	\$ 1,499,752	\$ 851,870	\$ 1,156,954	\$ 817,534	\$ 22,279,383
Interest Earnings	559,382	12,300	83,856	248,936	246,537	226,985	1,377,996
Total cash collections	<u>15,114,704</u>	<u>3,410,251</u>	<u>1,583,608</u>	<u>1,100,806</u>	<u>1,403,491</u>	<u>1,044,519</u>	<u>23,657,379</u>
Cumulative cash collections	15,114,704	18,524,955	20,108,563	21,209,369	22,612,860	23,657,379	
Cash Expenditures							
Debt Service ⁽¹⁾	9,774,929	600,000	1,425,000	600,000	800,000	600,000	\$ 13,799,929
District Infrastructure	2,645,433	232,232	-	991,445	294,500	579,473	\$ 4,743,083
Total cash expenditures	<u>12,420,362</u>	<u>832,232</u>	<u>1,425,000</u>	<u>1,591,445</u>	<u>1,094,500</u>	<u>1,179,473</u>	<u>18,543,012</u>
Cumulative cash expenditures	12,420,362	13,252,594	14,677,594	16,269,039	17,363,539	18,543,012	
Net Cash Flow to Date	<u>\$ 2,694,342</u>	<u>\$ 2,578,019</u>	<u>\$ 158,608</u>	<u>\$ (490,639)</u>	<u>\$ 308,991</u>	<u>\$ (134,954)</u>	<u>\$ 5,114,367</u>
Cumulative Cash Flow	2,694,342	5,272,361	5,430,969	4,940,330	5,249,321	5,114,367	
	2026	2027	2028	2029	2030	2031	Total
Projected Future Uses							
Debt Service ⁽¹⁾	\$ 700,000	\$ 600,000	\$ 600,000	\$ -	\$ -	\$ -	\$ 1,900,000
Capital Projects	2,400,000	814,367	-	-	-	-	\$ 3,214,367
Total Future Cash Expenditures	<u>\$ 3,100,000</u>	<u>\$ 1,414,367</u>	<u>\$ 600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,114,367</u>
Total Projected Cumulative Cash Flow							<u>-</u>

(1) The following projects are shown at the pro-rata cost, including financing, for the project capacity that will serve new development. These projects were funded with a portion of the proceeds from revenue bonds and state loans.

	Total Project Cost	Cost Allocated to Impact Fees	New Growth
Funded Projects Completed			
Water Rights & Shares	\$ 32,277,946	\$ 12,218,151	37.9%
Source Development	13,299,382	3,757,260	28.3%
Storage	4,518,596	4,107,741	90.9%
Lost Canyon Importation and Basin Transmission Lines	17,025,819	5,809,768	34.1%
Total Projects	<u>\$ 67,121,743</u>	<u>\$ 25,892,920</u>	<u>38.6%</u>

Max Years Financed	15
Annual Debt Service	<u>\$ 1,726,195</u>

Of this, \$13.80 million has been applied to debt service payments on bonding that funds projects in the capital facilities plan, while another \$4.74 million has been used to pay directly for projects in the capital facilities plan.

It is anticipated that \$1.90 million of the current remaining balance will be applied to debt service payments on bonding that funds projects in the capital facilities plan and the remaining \$3.21 million will be used to pay directly for projects in the capital facilities plan from 2026 through 2027.

Mountain Regional Water Special Service District
A Component Unit of Summit County, Utah
IMPACT FEES (CASH BASIS)
Year Ended December 31, 2025

In 2025, the District collected \$0.82 million in impact fee revenues (\$1.16 in 2024). In 2026, \$0.70 million has been budgeted to protect against a potentially slowing market.

Because a significant portion of the District's infrastructure constructed for new development was funded with long-term debt, most impact fees collections are applied to debt service.

Since 2003, about \$25.89 million of District debt payments qualified to be paid from impact fees, while only \$22.28 million in impact fees has been collected. This means impact fee collections have been 86% of the amount needed to apply to debt payments, with the rest of the funding for the remaining debt service coming from unrestricted revenue sources such as water sales, interest earnings, and operating fees.



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*

Administrative Control Board
Mountain Regional Water Special Service District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mountain Regional Water Special Service District (the District), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 28, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Compliance and Other Matters

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

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Squire & Company, PC

Orem, Utah
May 28, 2026



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

Administrative Control Board
Mountain Regional Water Special Service District

Report on Compliance

Opinion on Compliance

We have audited Mountain Regional Water Special Service District's (the District) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended December 31, 2025:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Cash Management
Impact Fees
Utah Retirement Systems

In our opinion, Mountain Regional Water Special Service District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2025.

Basis for Opinion on Compliance

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

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

Responsibilities of Management for Compliance

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

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 *State Compliance Audit 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 *State Compliance Audit Guide* as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit 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 detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Squize & Company, PC

Orem, Utah
May 28, 2026



Administrative Control Board
Mountain Regional Water Special Service District

We have audited the financial statements of Mountain Regional Water Special Service District (the District) as of and for the year ended December 31, 2025, and related notes to the basic financial statements, and have issued our report thereon dated May 28, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 20, 2026, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We assisted in the preparation of the financial statements and the related notes disclosures and supplementary information, which is a nonaudit service. This service was subject to our firm's engagement quality control review. Management designated a qualified individual to oversee this nonaudit service, evaluated the adequacy and results of the service performed, and accepted responsibility for the preparation and fair presentation of the financial statements and related notes and supplementary information in accordance with accounting principles generally accepted in the United States of America.

Significant Risks Identified

We identified the following significant risks during our audit that required special audit consideration:

- Management override of controls is considered a presumed fraud risk according to GAAS;
- Improper revenue recognition is considered a presumed fraud risk according to GAAS;
- Expenses, including payroll and related benefits, could be unrecorded or recognized in incorrect period; and
- Certain employee benefits (e.g. compensated absences and pension benefits may be improperly valued).

Qualitative Aspects of the District's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are calculating depreciation, compensated absences, and the proportionate share of the net pension liability of cost sharing plans of the Utah Retirement Systems (URS).

Management's estimate of depreciation is based on expected useful lives of assets and allocating the cost of those assets over their estimated useful lives using the straight-line method. Management's estimate of valuation of compensated absences is based on historical average leave time used. Management's estimate of the District's proportionate share of the net pension liability is based on information provided by the URS. We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to the disclosure of retirement plans in Note 8, the disclosure of long-term liabilities in Note 9, and the restatement in Note 11 to the financial statements.

Significant Unusual Transactions

There were no significant unusual transaction identified during the audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are clearly inconsequential, and communicate them to the appropriate level of management.

A summary of audit adjustments and reclassifications is attached to this letter. This summary includes misstatements (material or otherwise) that we identified because of our audit procedures; these were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 28, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

This report is intended solely for the information and use of the Administrative Control Board, and management of Mountain Regional Water Special Service District and is not intended to be and should not be used by anyone other than these specified parties

Respectfully,

Squire & Company, PC

Orem, Utah
May 28, 2026

Attachments:

- Adjusted trial balance grouped by financial statement account
- Summary audit adjustments and reclassifications
- Copy of management's written representations

Client: **19660 - Mountain Regional Water Special Service District**
 Engagement: **2025 Audit**
 Period Ending: **12/31/2025**
 Trial Balance: **TB**
 Workpaper: **TB - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 12/31/2024	UNADJ 12/31/2025	JE Ref #	AJE 12/31/2025	ADJ 12/31/2025	JE Ref #	RJE 12/31/2025	FINAL 12/31/2025
Group : [4100]	Cash and Cash Equivalents								
Subgroup : [4100.00]	Cash and Cash Equivalents-Unrestricted								
11-1-02	Zions - Sweep Account	304,636.00	400,043.00		0.00	400,043.00		0.00	400,043.00
11-1-03	Zions - Money Market	245,113.00	769,850.00		0.00	769,850.00		0.00	769,850.00
11-1-76	Cash Xpress Bill Pay	33,762.00	20,402.00		0.00	20,402.00		0.00	20,402.00
Subtotal [4100.00]	Cash and Cash Equivalents-Unrestrict	583,511.00	1,190,295.00		0.00	1,190,295.00		0.00	1,190,295.00
Total [4100]	Cash and Cash Equivalents	583,511.00	1,190,295.00		0.00	1,190,295.00		0.00	1,190,295.00
Group : [4110]	PTIF Investments								
Subgroup : [4150.00]	PTIF								
11-2-01	PTIF 4072 - Operating Reserve	6,989,233.00	9,069,413.00		0.00	9,069,413.00		0.00	9,069,413.00
11-2-11	PTIF 4092 - Regionalization Rs	669,164.00	699,161.00		0.00	699,161.00		0.00	699,161.00
11-2-15	PTIF 1199 - Treatment RSF	470,845.00	497,472.00		0.00	497,472.00		0.00	497,472.00
11-2-20	PTIF 8710 - East Canyon Fund	2,987.00	3,121.00		0.00	3,121.00		0.00	3,121.00
11-3-02	PTIF 4839 - Dbt Rate Stabilize	1,031,423.00	1,077,659.00		0.00	1,077,659.00		0.00	1,077,659.00
11-3-04	PTIF 5316 - Drought Reserve	875,445.00	892,910.00		0.00	892,910.00		0.00	892,910.00
Subtotal [4150.00]	PTIF	10,039,097.00	12,239,736.00		0.00	12,239,736.00		0.00	12,239,736.00
Subgroup : [4150.01]	Restricted PTIF Investments								
11-2-13	PTIF 5014 - Lost Canyon CRF	872,348.00	912,833.00		0.00	912,833.00		0.00	912,833.00
11-3-01	PTIF 4093 - Impact Fee DSR	5,249,321.00	5,100,235.00		0.00	5,100,235.00		0.00	5,100,235.00
11-3-03	PTIF 5257 - Stagecoach Assess	13,066.00	235.00		0.00	235.00		0.00	235.00
11-3-06	PTIF 8194 -2014 PRM SAA Prepay	168,595.00	82,350.00		0.00	82,350.00		0.00	82,350.00
11-3-07	PTIF 8195 -2014 PRM SAA Stable	267,837.00	304,196.00		0.00	304,196.00		0.00	304,196.00
11-3-08	PTIF 8798 - Community Water As	22,663.00	58,927.00		0.00	58,927.00		0.00	58,927.00
11-6-01	PTIF 2179 Customer Deposits	780,750.00	745,675.00		0.00	745,675.00		0.00	745,675.00
11-6-02	PTIF 8825- Contractor Deposits	617,006.00	1,032,526.00		0.00	1,032,526.00		0.00	1,032,526.00
Subtotal [4150.01]	Restricted PTIF Investments	7,991,586.00	8,236,977.00		0.00	8,236,977.00		0.00	8,236,977.00
Total [4110]	PTIF Investments	18,030,683.00	20,476,713.00		0.00	20,476,713.00		0.00	20,476,713.00
Group : [4120]	Zions Investments								
Subgroup : [4120.01]	Restricted DSR								
11-5-05	Zions - Series 2008 Bond DSR	277,289.00	278,111.00		0.00	278,111.00		0.00	278,111.00
11-5-07	Zions - Series 2011A Bond DSR	90,285.00	90,257.00		0.00	90,257.00		0.00	90,257.00
11-5-08	Zions - Series 2011B Bond DSR	136,708.00	135,737.00		0.00	135,737.00		0.00	135,737.00
Subtotal [4120.01]	Restricted DSR	504,282.00	504,105.00		0.00	504,105.00		0.00	504,105.00
Subgroup : [4120.02]	Restricted Construction								
11-8-43	ZIONS - Series 2023	13,886,299.00	1,584,458.00		0.00	1,584,458.00		0.00	1,584,458.00
Subtotal [4120.02]	Restricted Construction	13,886,299.00	1,584,458.00		0.00	1,584,458.00		0.00	1,584,458.00
Subgroup : [4120.09]	Restricted								
11-2-16	Zions - State Bonds CFR	1,331,332.00	1,932,303.00		0.00	1,932,303.00		0.00	1,932,303.00
11-4-41	Zions - Series 2014 Bond Fund	52,012.00	25,244.00		0.00	25,244.00		0.00	25,244.00
11-5-09	Zions - 2019A Bond DSR	162,015.00	60,575.00		0.00	60,575.00		0.00	60,575.00
11-5-10	ZIONS - 2019B Bond	122,142.00	100,927.00		0.00	100,927.00		0.00	100,927.00
11-5-11	ZIONS - 2023 Bond	127,103.00	20,852.00		0.00	20,852.00		0.00	20,852.00
Subtotal [4120.09]	Restricted	1,794,604.00	2,139,901.00		0.00	2,139,901.00		0.00	2,139,901.00
Total [4120]	Zions Investments	16,185,185.00	4,228,464.00		0.00	4,228,464.00		0.00	4,228,464.00
Group : [4200]	Receivables								
Subgroup : [4200.00]	Accounts Receivable								
12-1-01	A/R - Water Sales	1,182,377.00	1,206,280.00		0.00	1,206,280.00		0.00	1,206,280.00
12-1-11	A/R - Stagecoach Infrastructur	12,223.00	13,699.00		0.00	13,699.00		0.00	13,699.00
12-1-21	A/R - Community Water Infrastr	13,735.00	14,090.00		0.00	14,090.00		0.00	14,090.00
12-2-01	A/R - Promontory Lease Fees	0.00	133,245.00		0.00	133,245.00		0.00	133,245.00
Subtotal [4200.00]	Accounts Receivable	1,208,335.00	1,367,314.00		0.00	1,367,314.00		0.00	1,367,314.00
Subgroup : [4200.36]	Other Receivable								
12-2-99	A/R - Paid Off Accounts	1,922.00	4,962.00		0.00	4,962.00		0.00	4,962.00
12-3-53	A/R - Weber Basin	4,643.00	4,643.00		0.00	4,643.00		0.00	4,643.00
Subtotal [4200.36]	Other Receivable	6,565.00	9,605.00		0.00	9,605.00		0.00	9,605.00
Subgroup : [4200.50]	Special Assessment								
12-4-10	A/R - Promontory Special Assessments	1,634,974.00	1,374,576.00		0.00	1,374,576.00		0.00	1,374,576.00
Subtotal [4200.50]	Special Assessment	1,634,974.00	1,374,576.00		0.00	1,374,576.00		0.00	1,374,576.00
Total [4200]	Receivables	2,849,874.00	2,751,495.00		0.00	2,751,495.00		0.00	2,751,495.00
Group : [4300]	Inventories								
Subgroup : [4300.00]	Inventories								
14-3-01	Inventory - Parts	165,658.00	188,529.00		0.00	188,529.00		0.00	188,529.00
Subtotal [4300.00]	Inventories	165,658.00	188,529.00		0.00	188,529.00		0.00	188,529.00
Total [4300]	Inventories	165,658.00	188,529.00		0.00	188,529.00		0.00	188,529.00
Group : [4400]	Prepaid Expenses								
Subgroup : [4400.00]	Prepaid Expenses								
14-2-01	Prepaid WB Distribution Leases	600,412.00	603,560.00		0.00	603,560.00		0.00	603,560.00
14-2-02	Prepaid WB Lost Canyon Leases	1,019,411.00	1,123,225.00		0.00	1,123,225.00		0.00	1,123,225.00
14-2-12	Prepaid Expense - Flex Plan	4,000.00	4,000.00		0.00	4,000.00		0.00	4,000.00
14-2-13	Prepaid Bond Insurance	18,165.00	16,165.00		0.00	16,165.00		0.00	16,165.00
14-2-14	Prepaid - Treatment Plant	137,119.00	158,879.00		0.00	158,879.00		0.00	158,879.00
14-2-15	Prepaid - Business Insurance	38,951.00	42,908.00		0.00	42,908.00		0.00	42,908.00
Subtotal [4400.00]	Prepaid Expenses	1,818,058.00	1,948,737.00		0.00	1,948,737.00		0.00	1,948,737.00
Total [4400]	Prepaid Expenses	1,818,058.00	1,948,737.00		0.00	1,948,737.00		0.00	1,948,737.00
Group : [4600]	Capital Assets								
Subgroup : [4600.00]	Nondepreciable Assets								
15-1-01	FA - Land	3,112,834.00	3,010,392.00		0.00	3,010,392.00		0.00	3,010,392.00
15-1-02	FA - Water Rights	19,428,720.00	19,428,720.00		0.00	19,428,720.00		0.00	19,428,720.00
18-1-06	WIP - System Improvements	266,128.00	0.00		0.00	0.00		0.00	0.00
18-1-07	WIP - Glenwild Loop	0.00	39,693.00		0.00	39,693.00		0.00	39,693.00
18-1-08	WIP - ASR Pilot	0.00	33,969.00		0.00	33,969.00		0.00	33,969.00
18-1-09	WIP - Upper Evergreen Line	0.00	36,251.00		0.00	36,251.00		0.00	36,251.00
18-1-10	WIP - Canyons Tank	0.00	79,605.00		0.00	79,605.00		0.00	79,605.00
18-1-11	WIP - Old Ranch Well	0.00	27,159.00		0.00	27,159.00		0.00	27,159.00
18-1-16	WIP - Old Ranch Bypass	0.00	23,939.00		0.00	23,939.00		0.00	23,939.00
18-1-18	WIP - Summit Park Well 5	52,912.00	0.00		0.00	0.00		0.00	0.00
18-1-24	WIP - Innsbruck Electrical Upg	0.00	87,156.00		0.00	87,156.00		0.00	87,156.00
18-1-46	WIP - Middle Valley Tank	0.00	6,333.00		0.00	6,333.00		0.00	6,333.00

18-1-47	WIP - Mid Valley Booster Pump	0.00	7,248.00	0.00	7,248.00	0.00	7,248.00
18-1-51	WIP - New Office & Shop	8,529,449.00	0.00	0.00	0.00	0.00	0.00
18-1-68	WIP - Treatment Plant Expansi	862,900.00	2,530,475.00	0.00	2,530,475.00	0.00	2,530,475.00
18-1-70	WIP - Lost Canyon Pump 1 Upgr	0.00	54,414.00	0.00	54,414.00	0.00	54,414.00
19-1-04	CAP EQ - O&M Vehicles	83,833.00	0.00	0.00	0.00	0.00	0.00
Subtotal [4600.00]	Nondepreciable Assets	32,336,776.00	25,365,354.00	0.00	25,365,354.00	0.00	25,365,354.00
Subgroup : [4600.60] Depreciable Assets							
15-1-03	FA - Water System Improvements	101,281,599.00	104,927,522.00	81,312.00	105,008,834.00	0.00	105,008,834.00
15-1-04	FA - Buildings	8,452,890.00	27,052,927.00	0.00	27,052,927.00	0.00	27,052,927.00
15-1-05	FA - Furnishing/Fixtures	67,737.00	776,474.00	25,998.00	802,472.00	0.00	802,472.00
15-1-06	FA - Engineering Library	150,523.00	150,523.00	0.00	150,523.00	0.00	150,523.00
15-1-07	FA - Machinery & Equipment	4,428,955.00	4,738,265.00	0.00	4,738,265.00	0.00	4,738,265.00
15-1-08	FA - Vehicles	1,729,324.00	2,125,070.00	0.00	2,125,070.00	0.00	2,125,070.00
Subtotal [4600.60]	Depreciable Assets	116,111,028.00	139,770,781.00	107,310.00	139,878,091.00	0.00	139,878,091.00
Subgroup : [4600.65] Accumulated Depreciation - Depreciable Assets							
15-2-03	ACCDEP - Water System Imprvmt	(27,864,351.00)	(29,708,724.00)	0.00	(29,708,724.00)	0.00	(29,708,724.00)
15-2-04	ACCDEP - Buildings	(3,040,216.00)	(2,965,090.00)	0.00	(2,965,090.00)	0.00	(2,965,090.00)
15-2-05	ACCDEP - Furniture	(67,737.00)	(67,737.00)	(100,262.00)	(167,999.00)	0.00	(167,999.00)
15-2-06	ACCDEP - Engineering Library	(12,544.00)	(25,087.00)	0.00	(25,087.00)	0.00	(25,087.00)
15-2-07	ACCDEP - Machinery & Equipment	(1,397,595.00)	(1,637,050.00)	0.00	(1,637,050.00)	0.00	(1,637,050.00)
15-2-08	ACCDEP - Vehicles	(1,109,268.00)	(1,214,866.00)	0.00	(1,214,866.00)	0.00	(1,214,866.00)
Subtotal [4600.65]	Accumulated Depreciation - Depreciat	(33,491,711.00)	(35,618,554.00)	(100,262.00)	(35,718,816.00)	0.00	(35,718,816.00)
Total [4600]	Capital Assets	114,956,093.00	129,517,581.00	7,048.00	129,524,629.00	0.00	129,524,629.00
Group : [4900] Deferred Outflows							
Subgroup : [4900.00] Deferred Outflows - Bond Refunding							
19-9-01	Loss on Series 2012 Refunding	727,186.00	647,129.00	0.00	647,129.00	0.00	647,129.00
Subtotal [4900.00]	Deferred Outflows - Bond Refunding	727,186.00	647,129.00	0.00	647,129.00	0.00	647,129.00
Subgroup : [4900.10] Deferred Outflows - Pensions							
19-9-02	URS Contributions After Period	484,141.00	468,780.00	0.00	468,780.00	0.00	468,780.00
19-9-03	Other URS Deferred Outflows	607,849.00	654,368.00	0.00	654,368.00	0.00	654,368.00
Subtotal [4900.10]	Deferred Outflows - Pensions	1,091,990.00	1,123,148.00	0.00	1,123,148.00	0.00	1,123,148.00
Total [4900]	Deferred Outflows	1,819,176.00	1,770,277.00	0.00	1,770,277.00	0.00	1,770,277.00
Group : [5100] Accounts Payable							
Subgroup : [5100.00] Accounts Payable							
21-1-01	Accounts Payable - System	(939,549.00)	(1,163,091.00)	0.00	(1,163,091.00)	0.00	(1,163,091.00)
21-1-11	Accounts Payable - Non System	(27,860.00)	(53,719.00)	(81,312.00)	(135,031.00)	0.00	(135,031.00)
Subtotal [5100.00]	Accounts Payable	(967,409.00)	(1,216,810.00)	(81,312.00)	(1,298,122.00)	0.00	(1,298,122.00)
Subgroup : [5100.10] Accrued Liabilities							
21-2-07	PR - County Health Payable	(17,660.00)	0.00	0.00	0.00	0.00	0.00
21-2-08	PR - PEHP Dental/Life Payable	(2,234.00)	(49.00)	0.00	(49.00)	0.00	(49.00)
21-2-09	PR - STLT Disability Payable	(827.00)	0.00	0.00	0.00	0.00	0.00
21-2-10	PR - Flex Accounts Payable	(50.00)	0.00	0.00	0.00	0.00	0.00
21-2-13	PR - Vision Payable	(69.00)	0.00	0.00	0.00	0.00	0.00
21-2-15	PR - AFLAC Payable	(234.00)	0.00	0.00	0.00	0.00	0.00
21-2-98	PR - Year End Comp Payable	(35,195.00)	(48,993.00)	0.00	(48,993.00)	0.00	(48,993.00)
23-2-27	Due to Customer	(30,788.00)	(27,770.00)	0.00	(27,770.00)	0.00	(27,770.00)
Subtotal [5100.10]	Accrued Liabilities	(87,057.00)	(76,812.00)	0.00	(76,812.00)	0.00	(76,812.00)
Subgroup : [5100.15] Due to Developer							
23-5-02	Due to IMA (Colony) - Current	(80,000.00)	(52,000.00)	0.00	(52,000.00)	0.00	(52,000.00)
23-5-03	DUE TO PRM - 2003 SID HOMES	(23,666.00)	(71,336.00)	0.00	(71,336.00)	0.00	(71,336.00)
23-5-04	DUE TO PRM -03 SID RESORT UNIT	(38,136.00)	(52,437.00)	0.00	(52,437.00)	0.00	(52,437.00)
23-5-08	DUE TO PRM - 2014 SAA HOMES	(5,182.00)	(31,092.00)	0.00	(31,092.00)	0.00	(31,092.00)
23-5-09	DUE TO PRM -14 SAA RESORT UNIT	(20,728.00)	(28,501.00)	0.00	(28,501.00)	0.00	(28,501.00)
Subtotal [5100.15]	Due to Developer	(167,712.00)	(235,366.00)	0.00	(235,366.00)	0.00	(235,366.00)
Subgroup : [5100.20] Customer Deposits							
22-1-01	DEP - Fire Hydrant Deposits	(72,750.00)	(80,762.00)	0.00	(80,762.00)	0.00	(80,762.00)
22-1-02	DEP - Water Letter Deposits	(708,000.00)	(666,412.00)	0.00	(666,412.00)	0.00	(666,412.00)
22-1-11	DEP - Contractor Deposits	(617,006.00)	(1,032,526.00)	0.00	(1,032,526.00)	0.00	(1,032,526.00)
Subtotal [5100.20]	Customer Deposits	(1,397,756.00)	(1,779,700.00)	0.00	(1,779,700.00)	0.00	(1,779,700.00)
Subgroup : [5100.35] Retention Payable							
21-1-12	Accounts Payable - Retainage	(2,001,107.00)	(542,893.00)	0.00	(542,893.00)	0.00	(542,893.00)
22-1-13	Interest Earned - Retainage	(253.00)	(3,239.00)	0.00	(3,239.00)	0.00	(3,239.00)
Subtotal [5100.35]	Retention Payable	(2,001,360.00)	(546,132.00)	0.00	(546,132.00)	0.00	(546,132.00)
Total [5100]	Accounts Payable	(4,621,294.00)	(3,854,820.00)	(81,312.00)	(3,936,132.00)	0.00	(3,936,132.00)
Group : [5200] Accrued Expenses / Expenditures							
Subgroup : [5200.40] Accrued Interest Expense							
23-1-01	Accrued Interest Payable	(122,465.00)	(113,559.00)	0.00	(113,559.00)	0.00	(113,559.00)
Subtotal [5200.40]	Accrued Interest Expense	(122,465.00)	(113,559.00)	0.00	(113,559.00)	0.00	(113,559.00)
Total [5200]	Accrued Expenses / Expenditures	(122,465.00)	(113,559.00)	0.00	(113,559.00)	0.00	(113,559.00)
Group : [5300] Debt							
Subgroup : [5300.05] Notes Payable - Current							
23-3-01	Notes Payable - Current	(299,830.00)	(299,830.00)	0.00	(299,830.00)	0.00	(299,830.00)
Subtotal [5300.05]	Notes Payable - Current	(299,830.00)	(299,830.00)	0.00	(299,830.00)	0.00	(299,830.00)
Subgroup : [5300.10] Notes Payable - Noncurrent							
25-5-10	Note Payable - Summit County	(1,265,559.00)	(1,122,085.00)	0.00	(1,122,085.00)	0.00	(1,122,085.00)
25-6-01	Notes Payable - WB LstCan 2009	(450,569.00)	(305,894.00)	0.00	(305,894.00)	0.00	(305,894.00)
25-6-02	Notes Payable - WB LstCan 2017	(162,530.00)	(150,848.00)	0.00	(150,848.00)	0.00	(150,848.00)
Subtotal [5300.10]	Notes Payable - Noncurrent	(1,878,658.00)	(1,578,827.00)	0.00	(1,578,827.00)	0.00	(1,578,827.00)
Subgroup : [5300.35] Bonds Payable - Current							
23-3-02	Bonds Payable - Current	(2,811,000.00)	(2,887,000.00)	0.00	(2,887,000.00)	0.00	(2,887,000.00)
Subtotal [5300.35]	Bonds Payable - Current	(2,811,000.00)	(2,887,000.00)	0.00	(2,887,000.00)	0.00	(2,887,000.00)
Subgroup : [5300.40] Bonds Payable - Noncurrent							
25-4-41	Bonds Payable - Series 2014	(3,065,000.00)	(2,500,000.00)	0.00	(2,500,000.00)	0.00	(2,500,000.00)
25-4-51	Bond Payable - Series 2019A	(18,090,000.00)	(16,165,000.00)	0.00	(16,165,000.00)	0.00	(16,165,000.00)
25-4-52	Bond Payable - Series 2023	(18,000,000.00)	(18,000,000.00)	0.00	(18,000,000.00)	0.00	(18,000,000.00)
25-5-05	Bonds Payable - Series 2008	(704,000.00)	(533,000.00)	0.00	(533,000.00)	0.00	(533,000.00)
25-5-07	Bonds Payable - Series 2011A	(248,000.00)	(208,000.00)	0.00	(208,000.00)	0.00	(208,000.00)
25-5-08	Bonds Payable - Series 2011B	(458,000.00)	(393,000.00)	0.00	(393,000.00)	0.00	(393,000.00)
25-5-09	Bonds Payable - Series 2019B	(1,659,000.00)	(1,538,000.00)	0.00	(1,538,000.00)	0.00	(1,538,000.00)
Subtotal [5300.40]	Bonds Payable - Noncurrent	(42,224,000.00)	(39,337,000.00)	0.00	(39,337,000.00)	0.00	(39,337,000.00)
Subgroup : [5300.50] Accum Amortization - Bond Premium (Discount)							
27-4-41	Premium Amortize - Series 2014	(285,841.00)	(229,610.00)	0.00	(229,610.00)	0.00	(229,610.00)
Subtotal [5300.50]	Accum Amortization - Bond Premium	(285,841.00)	(229,610.00)	0.00	(229,610.00)	0.00	(229,610.00)

Subgroup : [5300.71] Compensated Absences - Noncurrent							
21-2-99	PR - Accrued Absences Payable	(613,598.00)	(646,702.00)	0.00	(646,702.00)	0.00	(646,702.00)
Subtotal [5300.71]	Compensated Absences - Noncurrent	(613,598.00)	(646,702.00)	0.00	(646,702.00)	0.00	(646,702.00)
Total [5300]	Debt	(48,102,181.00)	(44,978,969.00)	0.00	(44,978,969.00)	0.00	(44,978,969.00)
Group : [5400] Obligations Under Leases							
Subgroup : [5400.00] Obligations Under Leases - Current							
24-1-02	Subscription Liability	0.00	0.00	(25,998.00)	(25,998.00)	0.00	(25,998.00)
Subtotal [5400.00]	Obligations Under Leases - Current	0.00	0.00	(25,998.00)	(25,998.00)	0.00	(25,998.00)
Total [5400]	Obligations Under Leases	0.00	0.00	(25,998.00)	(25,998.00)	0.00	(25,998.00)
Group : [5700] Other Noncurrent Liabilities							
Subgroup : [5700.00] Net Pension Liability							
27-8-01	NET URS Pension Liability	(470,530.00)	(668,576.00)	0.00	(668,576.00)	0.00	(668,576.00)
Subtotal [5700.00]	Net Pension Liability	(470,530.00)	(668,576.00)	0.00	(668,576.00)	0.00	(668,576.00)
Subgroup : [5700.05] Payable to Developer							
28-5-01	Due to IMA (Colony) - Longterm	(424,140.00)	(417,075.00)	0.00	(417,075.00)	0.00	(417,075.00)
Subtotal [5700.05]	Payable to Developer	(424,140.00)	(417,075.00)	0.00	(417,075.00)	0.00	(417,075.00)
Total [5700]	Other Noncurrent Liabilities	(894,670.00)	(1,085,651.00)	0.00	(1,085,651.00)	0.00	(1,085,651.00)
Group : [5800] Deferred Inflows							
Subgroup : [5800.00] Deferred Inflows - Meters							
29-9-04	Deferred Meter Revenue	(345,000.00)	(391,300.00)	0.00	(391,300.00)	0.00	(391,300.00)
Subtotal [5800.00]	Deferred Inflows - Meters	(345,000.00)	(391,300.00)	0.00	(391,300.00)	0.00	(391,300.00)
Subgroup : [5800.05] Deferred Inflows - Grants							
29-4-34	Def Grant - Series 2003/2012	(105,001.00)	(93,334.00)	0.00	(93,334.00)	0.00	(93,334.00)
Subtotal [5800.05]	Deferred Inflows - Grants	(105,001.00)	(93,334.00)	0.00	(93,334.00)	0.00	(93,334.00)
Subgroup : [5800.10] Deferred Inflows - Pensions							
29-9-03	URS Pension Deferred Inflows	(6,186.00)	(6,928.00)	0.00	(6,928.00)	0.00	(6,928.00)
Subtotal [5800.10]	Deferred Inflows - Pensions	(6,186.00)	(6,928.00)	0.00	(6,928.00)	0.00	(6,928.00)
Total [5800]	Deferred Inflows	(456,187.00)	(491,562.00)	0.00	(491,562.00)	0.00	(491,562.00)
Group : [6200] Net Position							
Subgroup : [6200.05] Net Position - Invested in Capital Assets, Net of Related Debt							
99-1-05	Net Investment in Capital Assets	(79,529,944.00)	0.00	(85,873,862.00)	(85,873,862.00)	0.00	(85,873,862.00)
Subtotal [6200.05]	Net Position - Invested in Capital Asset	(79,529,944.00)	0.00	(85,873,862.00)	(85,873,862.00)	0.00	(85,873,862.00)
Subgroup : [6200.10] Net Position - Restricted - Capital							
99-1-03	Restricted Net Position - Capital	(6,861,149.00)	0.00	(7,291,431.00)	(7,291,431.00)	0.00	(7,291,431.00)
Subtotal [6200.10]	Net Position - Restricted - Capital	(6,861,149.00)	0.00	(7,291,431.00)	(7,291,431.00)	0.00	(7,291,431.00)
Subgroup : [6200.11] Net Position - Restricted - Debt							
99-1-04	Restricted Net Position - Debt	(2,952,224.00)	0.00	(2,418,428.00)	(2,418,428.00)	0.00	(2,418,428.00)
Subtotal [6200.11]	Net Position - Restricted - Debt	(2,952,224.00)	0.00	(2,418,428.00)	(2,418,428.00)	0.00	(2,418,428.00)
Subgroup : [6200.15] Net Position - Unrestricted							
99-1-01	Begin Retained Position	(5,832,219.00)	(74,296,913.00)	67,669,193.00	(6,627,720.00)	0.00	(6,627,720.00)
99-1-02	Begin Developer Contributions	0.00	(27,914,528.00)	0.00	0.00	0.00	0.00
Subtotal [6200.15]	Net Position - Unrestricted	(5,832,219.00)	(102,211,441.00)	95,583,721.00	(6,627,720.00)	0.00	(6,627,720.00)
Total [6200]	Net Position	(95,175,536.00)	(102,211,441.00)	0.00	(102,211,441.00)	0.00	(102,211,441.00)
Group : [7100] Operating Revenues							
Subgroup : [7100.00] Water Revenue							
31-1-01	Water Sales - Residential	(8,858,272.00)	(10,616,887.00)	0.00	(10,616,887.00)	0.00	(10,616,887.00)
31-2-01	Water Sales - Commercial	(800,337.00)	(927,980.00)	0.00	(927,980.00)	0.00	(927,980.00)
31-2-02	Water Sales - Churches	(33,346.00)	(45,571.00)	0.00	(45,571.00)	0.00	(45,571.00)
31-2-03	Water Sales - Schools	(161,495.00)	(190,000.00)	0.00	(190,000.00)	0.00	(190,000.00)
31-2-04	Water Sales - Governments	(80,916.00)	(86,455.00)	0.00	(86,455.00)	0.00	(86,455.00)
31-2-05	Water Sales - Industrial	(178,864.00)	(166,305.00)	0.00	(166,305.00)	0.00	(166,305.00)
31-3-01	Water Sales - Wholesale	(494,772.00)	(532,102.00)	0.00	(532,102.00)	0.00	(532,102.00)
31-4-01	Water Sales - Irrigation	(687,215.00)	(892,973.00)	0.00	(892,973.00)	0.00	(892,973.00)
31-4-02	Water Sales - Irrigation Golf	(460,538.00)	(538,380.00)	0.00	(538,380.00)	0.00	(538,380.00)
31-5-01	Water Sales - Standby Fees	(946,822.00)	(869,730.00)	0.00	(869,730.00)	0.00	(869,730.00)
Subtotal [7100.00]	Water Revenue	(12,702,577.00)	(14,866,383.00)	0.00	(14,866,383.00)	0.00	(14,866,383.00)
Subgroup : [7100.10] Wholesale Water Sales and Wheeling Fees							
31-3-02	Water Sales - Weber Basin Reg	(1,076,400.00)	(887,800.00)	0.00	(887,800.00)	0.00	(887,800.00)
31-3-03	Water Sales - Park City Wheel	(618,578.00)	(605,868.00)	0.00	(605,868.00)	0.00	(605,868.00)
Subtotal [7100.10]	Wholesale Water Sales and Wheeling	(1,694,978.00)	(1,493,668.00)	0.00	(1,493,668.00)	0.00	(1,493,668.00)
Subgroup : [7100.20] Operating Fees							
32-1-01	Connection - Meter Fees	(365,500.00)	(270,300.00)	0.00	(270,300.00)	0.00	(270,300.00)
32-1-11	Connection - Fire Hydrant Fees	(66,104.00)	(63,426.00)	0.00	(63,426.00)	0.00	(63,426.00)
32-2-01	Inspection Fees	(9,100.00)	(18,692.00)	0.00	(18,692.00)	0.00	(18,692.00)
32-3-01	Disconnection of Service Fee	(24,616.00)	(22,700.00)	0.00	(22,700.00)	0.00	(22,700.00)
32-3-02	Title Transfer Fee	(50,900.00)	(48,100.00)	0.00	(48,100.00)	0.00	(48,100.00)
32-4-01	Water Sampling Credit	0.00	1,380.00	0.00	1,380.00	0.00	1,380.00
Subtotal [7100.20]	Operating Fees	(516,220.00)	(421,838.00)	0.00	(421,838.00)	0.00	(421,838.00)
Subgroup : [7100.95] Other Revenue							
33-1-02	Contracted - Repairs	(20,576.00)	(7,418.00)	0.00	(7,418.00)	0.00	(7,418.00)
34-1-01	Delinquency Penalty	(44,294.00)	(48,967.00)	0.00	(48,967.00)	0.00	(48,967.00)
34-2-01	Penalties/Fines- Theft of Srvc	(7,100.00)	(4,000.00)	0.00	(4,000.00)	0.00	(4,000.00)
35-1-01	Other Revenue	0.00	(2,500.00)	0.00	(2,500.00)	0.00	(2,500.00)
Subtotal [7100.95]	Other Revenue	(71,970.00)	(62,885.00)	0.00	(62,885.00)	0.00	(62,885.00)
Total [7100]	Operating Revenues	(14,985,745.00)	(16,844,774.00)	0.00	(16,844,774.00)	0.00	(16,844,774.00)
Group : [7700] Operating Expenses							
Subgroup : [7700.00] Operations, Maintenance and Repairs							
51-1-01	DST - SALARY & WAGES	897,317.00	931,660.00	0.00	931,660.00	0.00	931,660.00
51-1-02	DST - STATE RETIREMENT	109,614.00	188,606.00	0.00	188,606.00	0.00	188,606.00
51-1-03	DST - 403(B)	41,442.00	42,842.00	0.00	42,842.00	0.00	42,842.00
51-1-04	DST - HEALTH, DENTAL & LIFE	151,439.00	151,337.00	0.00	151,337.00	0.00	151,337.00
51-1-05	DST - OTHER BENEFITS	(78,663.00)	5,935.00	0.00	5,935.00	0.00	5,935.00
51-1-06	DST - FICA TAXES	68,749.00	70,959.00	0.00	70,959.00	0.00	70,959.00
51-1-07	DST - Capitalized Labor	0.00	(88,600.00)	0.00	(88,600.00)	0.00	(88,600.00)
51-2-01	DST - UNIFORMS	6,876.00	7,351.00	0.00	7,351.00	0.00	7,351.00
51-2-02	DST - TRAVEL & TRAINING	8,244.00	7,488.00	0.00	7,488.00	0.00	7,488.00
51-2-03	DST - STAFF MEETINGS	4,541.00	4,703.00	0.00	4,703.00	0.00	4,703.00
51-2-04	DST - Office Expense	(10,882.00)	13,771.00	0.00	13,771.00	0.00	13,771.00
51-2-99	DST - OTHER EXPENSE	5,489.00	16,891.00	0.00	16,891.00	0.00	16,891.00
51-3-99	DST - OTHER SERVICES	122,527.00	36,834.00	0.00	36,834.00	0.00	36,834.00
51-4-01	DST - PROPERTY INSURANCE	26,971.00	26,437.00	0.00	26,437.00	0.00	26,437.00
51-4-02	DST - LIABILITY INSURANCE	18,871.00	17,296.00	0.00	17,296.00	0.00	17,296.00

51-4-03	DST - VEHICLE INSURANCE	8,746.00	11,054.00	0.00	11,054.00	0.00	11,054.00
51-5-01	DST - VEHICLE/EQ FUEL	45,437.00	39,348.00	0.00	39,348.00	0.00	39,348.00
51-5-03	DST - VEHICLE/EQ TIRES&BATTERY	36,112.00	26,285.00	0.00	26,285.00	0.00	26,285.00
51-5-04	DST - VEHICLE/EQ REPAIRS	38,742.00	28,176.00	0.00	28,176.00	0.00	28,176.00
51-5-11	DST - VEHICLE/EQ LEASES	78,266.00	33,000.00	0.00	33,000.00	0.00	33,000.00
51-6-01	DST - UTILITIES - NATURAL GAS	6,073.00	4,933.00	0.00	4,933.00	0.00	4,933.00
51-6-02	DST - UTILITIES - ELECTRICTY	404,819.00	466,126.00	0.00	466,126.00	0.00	466,126.00
51-7-11	DST - TOOLS	13,272.00	18,138.00	0.00	18,138.00	0.00	18,138.00
51-7-12	DST - SUPPLIES	24,781.00	85,555.00	0.00	85,555.00	0.00	85,555.00
51-7-13	DST - Meters	201,082.00	189,480.00	0.00	189,480.00	0.00	189,480.00
51-7-21	DST - SERVICE LINE R&M	34,462.00	4,882.00	0.00	4,882.00	0.00	4,882.00
51-7-22	DST - DISTRIBUTION LINE R&M	187,545.00	141,271.00	0.00	141,271.00	0.00	141,271.00
51-7-23	DST - PUMP R&M	183,224.00	203,425.00	0.00	203,425.00	0.00	203,425.00
51-7-24	DST - Generator R&M	6,646.00	6,910.00	0.00	6,910.00	0.00	6,910.00
51-7-29	DST - OTHER R&M	1,502.00	1,407.00	0.00	1,407.00	0.00	1,407.00
51-7-30	DST - ATKINSON WELL #2 R&M	530.00	0.00	0.00	0.00	0.00	0.00
51-8-01	DST - WB LEASE (NON LOST CNYN)	388,055.00	355,412.00	0.00	355,412.00	0.00	355,412.00
51-8-02	DST - WB LEASE (East Canyon)	4,927.00	0.00	0.00	0.00	0.00	0.00
51-8-03	DST - WB REGIONALIZATION FEE	245,000.00	245,000.00	0.00	245,000.00	0.00	245,000.00
51-8-12	DST - WATER TESTING	49,138.00	51,127.00	0.00	51,127.00	0.00	51,127.00
51-8-13	DST - Chemicals	10,756.00	22,209.00	0.00	22,209.00	0.00	22,209.00
51-8-14	DST - OTHER WATER FEES	3,754.00	3,737.00	0.00	3,737.00	0.00	3,737.00
65-1-01	SFRM - SALARY & WAGES	29,152.00	22,632.00	0.00	22,632.00	0.00	22,632.00
65-1-02	SFRM - STATE RETIREMENT	3,578.00	4,644.00	0.00	4,644.00	0.00	4,644.00
65-1-03	SFRM - 403(b)	610.00	800.00	0.00	800.00	0.00	800.00
65-1-04	SFRM - HEALTH, DENTAL & LIFE	2,758.00	3,073.00	0.00	3,073.00	0.00	3,073.00
65-1-05	SFRM - OTHER BENEFITS	312.00	147.00	0.00	147.00	0.00	147.00
65-1-06	SFRM - FICA	2,538.00	1,683.00	0.00	1,683.00	0.00	1,683.00
65-2-02	SFRM - Travel & Training	0.00	465.00	0.00	465.00	0.00	465.00
65-2-03	SFRM - Business Meetings	1,327.00	1,570.00	0.00	1,570.00	0.00	1,570.00
65-3-51	SFRM - Safety Services	2,331.00	2,409.00	0.00	2,409.00	0.00	2,409.00
65-3-98	SFRM - Incentives	4,775.00	17,891.00	0.00	17,891.00	0.00	17,891.00
65-4-05	SFRM - Workers Comp Insurance	17,395.00	10,749.00	0.00	10,749.00	0.00	10,749.00
65-7-16	SFRM - Safety Supplies	18,947.00	17,019.00	0.00	17,019.00	0.00	17,019.00
Subtotal [7700.00]	Operations, Maintenance and Repairs	3,429,127.00	3,454,067.00	0.00	3,454,067.00	0.00	3,454,067.00

Subgroup : [7700.01] Water Production

52-1-01	LCT - SALARY & WAGES	309,896.00	316,668.00	0.00	316,668.00	0.00	316,668.00
52-1-02	LCT - STATE RETIREMENT	38,840.00	65,534.00	0.00	65,534.00	0.00	65,534.00
52-1-03	LCT - 403(B)	12,137.00	12,709.00	0.00	12,709.00	0.00	12,709.00
52-1-04	LCT - HEALTH, DENTAL & LIFE	55,262.00	51,615.00	0.00	51,615.00	0.00	51,615.00
52-1-05	LCT - OTHER BENEFITS	2,079.00	2,116.00	0.00	2,116.00	0.00	2,116.00
52-1-06	LCT - FICA TAXES	23,627.00	24,144.00	0.00	24,144.00	0.00	24,144.00
52-2-01	LCT - UNIFORMS	1,751.00	2,762.00	0.00	2,762.00	0.00	2,762.00
52-2-02	LCT - TRAVEL & TRAINING	2,625.00	2,834.00	0.00	2,834.00	0.00	2,834.00
52-2-03	LCT - STAFF MEETINGS	688.00	539.00	0.00	539.00	0.00	539.00
52-2-99	LCT - Other Expense	4,216.00	5,843.00	0.00	5,843.00	0.00	5,843.00
52-4-03	LCT - VEHICLE INSURANCE	2,078.00	2,451.00	0.00	2,451.00	0.00	2,451.00
52-5-01	LCT - VEHICLE/EQ FUEL	8,110.00	7,349.00	0.00	7,349.00	0.00	7,349.00
52-5-03	LCT - VEHICLE/EQ TIRES&BATTERY	4,855.00	1,270.00	0.00	1,270.00	0.00	1,270.00
52-5-04	LCT - VEHICLE/EQ REPAIRS	719.00	621.00	0.00	621.00	0.00	621.00
52-5-11	LCT - VEHICLE/EQ LEASES	8,000.00	8,000.00	0.00	8,000.00	0.00	8,000.00
52-7-11	LCT - Tools	2,312.00	3,417.00	0.00	3,417.00	0.00	3,417.00
52-8-01	LCT - WB LEASE (LOST CANYON)	829,959.00	977,759.00	0.00	977,759.00	0.00	977,759.00
53-3-99	POWER STATION - SERVICES	0.00	14,790.00	0.00	14,790.00	0.00	14,790.00
53-4-01	POWER STATION - PROPERTY INSUR	1,709.00	1,876.00	0.00	1,876.00	0.00	1,876.00
53-4-02	POWER STATION - LIABILITY INSUR	780.00	833.00	0.00	833.00	0.00	833.00
53-7-12	POWER STATION - SUPPLIES	0.00	62.00	0.00	62.00	0.00	62.00
53-7-24	POWER STATION - Generator R&M	1,640.00	13,259.00	0.00	13,259.00	0.00	13,259.00
54-4-01	PEOA WELLS - PROPERTY INSUR	405.00	682.00	0.00	682.00	0.00	682.00
54-4-02	PEOA WELLS - LIABILITY INSUR	226.00	193.00	0.00	193.00	0.00	193.00
54-6-02	PEOA WELLS - ELECTRICITY	3,773.00	4,256.00	0.00	4,256.00	0.00	4,256.00
54-7-23	PEOA WELLS - PUMP MAJOR REPAIR	0.00	9,987.00	0.00	9,987.00	0.00	9,987.00
54-7-24	PEOA WELLS - Siddoway Expense	11,352.00	7,128.00	0.00	7,128.00	0.00	7,128.00
55-3-99	LC Booster - Services	6,656.00	1,576.00	0.00	1,576.00	0.00	1,576.00
55-4-01	LC BOOSTER - PROPERTY INSUR	2,002.00	2,600.00	0.00	2,600.00	0.00	2,600.00
55-4-02	LC BOOSTER - LIABILITY INSUR	3,089.00	2,433.00	0.00	2,433.00	0.00	2,433.00
55-6-02	LC BOOSTER - ELECTRICITY	228,720.00	266,360.00	0.00	266,360.00	0.00	266,360.00
55-7-12	LC BOOSTER - SUPPLIES	30,610.00	55,504.00	0.00	55,504.00	0.00	55,504.00
55-7-23	LC BOOSTER - Major Repairs	69,258.00	139,571.00	0.00	139,571.00	0.00	139,571.00
56-4-02	LC PIPELINE - LIABILITY INSUR	1,808.00	1,407.00	0.00	1,407.00	0.00	1,407.00
56-7-27	LC PIPELINE - TRNSMSN MJR REPA	0.00	1,105.00	0.00	1,105.00	0.00	1,105.00
57-4-02	RAW POND - LIABILITY INSUR	151.00	129.00	0.00	129.00	0.00	129.00
57-7-12	RAW POND - SUPPLIES	946.00	0.00	0.00	0.00	0.00	0.00
58-4-02	GOLF IRR - Liability Insurance	452.00	387.00	0.00	387.00	0.00	387.00
58-6-02	GOLF IRR - UTILITIES ELECTRICI	20,609.00	6,887.00	0.00	6,887.00	0.00	6,887.00
58-7-22	GOLF IRR - DSTRB MAJOR REPAIR	204.00	14,101.00	0.00	14,101.00	0.00	14,101.00
59-1-01	TREATMENT - SALARY & WAGES	311,468.00	321,972.00	0.00	321,972.00	0.00	321,972.00
59-1-02	TREATMENT - STATE RETIREMENT	39,113.00	68,141.00	0.00	68,141.00	0.00	68,141.00
59-1-03	TREATMENT - 403(B)	9,172.00	9,634.00	0.00	9,634.00	0.00	9,634.00
59-1-04	TREATMENT - HEALTH, DNTL& LIFE	59,290.00	65,080.00	0.00	65,080.00	0.00	65,080.00
59-1-05	TREATMENT - OTHER BENEFITS	2,046.00	2,127.00	0.00	2,127.00	0.00	2,127.00
59-1-06	TREATMENT - FICA TAXES	23,831.00	24,393.00	0.00	24,393.00	0.00	24,393.00
59-2-01	TREATMENT - UNIFORMS	1,608.00	980.00	0.00	980.00	0.00	980.00
59-2-02	TREATMENT - TRAVEL & TRAINING	3,031.00	2,391.00	0.00	2,391.00	0.00	2,391.00
59-2-62	TREATMENT - SCADA SUP. & MAINT	2,328.00	3,345.00	0.00	3,345.00	0.00	3,345.00
59-2-99	TREATMENT - OTHER EXPENSE	410.00	509.00	0.00	509.00	0.00	509.00
59-3-99	TREATMENT - SERVICES	9,105.00	10,480.00	0.00	10,480.00	0.00	10,480.00
59-4-01	TREATMENT - PROPERTY INSUR	5,575.00	5,458.00	0.00	5,458.00	0.00	5,458.00
59-4-02	TREATMENT - LIABILITY INSUR	3,879.00	3,344.00	0.00	3,344.00	0.00	3,344.00
59-4-03	TREATMENT - VEHICLE INSURANCE	1,892.00	2,934.00	0.00	2,934.00	0.00	2,934.00
59-5-01	TREATMENT - VEHICLE/EQ FUEL	10,868.00	10,114.00	0.00	10,114.00	0.00	10,114.00
59-5-03	TREATMENT - VEH/EQ TIRE & BATT	6,793.00	3,964.00	0.00	3,964.00	0.00	3,964.00
59-5-04	TREATMENT - VEHICLE/EQ REPAIRS	2,890.00	2,414.00	0.00	2,414.00	0.00	2,414.00
59-5-11	TREATMENT - VEHICLE/EQ LEASE	15,323.00	18,928.00	0.00	18,928.00	0.00	18,928.00
59-6-01	TREATMENT - UTIL NATURAL GAS	12,673.00	6,000.00	0.00	6,000.00	0.00	6,000.00
59-6-02	TREATMENT - UTILITIES ELECTRIC	71,748.00	42,699.00	0.00	42,699.00	0.00	42,699.00
59-7-11	TREATMENT - TOOLS	825.00	849.00	0.00	849.00	0.00	849.00
59-7-12	TREATMENT - SUPPLIES	4,906.00	5,441.00	0.00	5,441.00	0.00	5,441.00
59-7-28	TREATMENT - PLANT R&M	59,407.00	53,240.00	0.00	53,240.00	0.00	53,240.00
59-8-12	TREATMENT - WATER TESTING	22,082.00	17,284.00	0.00	17,284.00	0.00	17,284.00
59-8-13	TREATMENT - CHEMICALS	91,171.00	103,827.00	0.00	103,827.00	0.00	103,827.00
59-8-14	TREATMENT - CARBON	72,238.00	109,639.00	0.00	109,639.00	0.00	109,639.00
Subtotal [7700.01]	Water Production	2,535,216.00	2,925,944.00	0.00	2,925,944.00	0.00	2,925,944.00

Subgroup : [7700.02] Energy and Technology Management

50-1-01	ETM - SALARY & WAGES	323,839.00	344,858.00	0.00	344,858.00	0.00	344,858.00
50-1-02	ETM - STATE RETIREMENT	40,577.00	70,158.00	0.00	70,158.00	0.00	70,158.00
50-1-03	ETM - 403(B)	16,290.00	17,085.00	0.00	17,085.00	0.00	17,085.00
50-1-04	ETM - HEALTH, DENTAL & LIFE	45,923.00	47,712.00	0.00	47,712.00	0.00	47,712.00
50-1-05	ETM - OTHER BENEFITS	(55,755.00)	2,230.00	0.00	2,230.00	0.00	2,230.00
50-1-06	ETM - FICA TAXES	24,787.00	26,189.00	0.00	26,189.00	0.00	26,189.00
50-1-07	ETM - Capitalized Labor	0.00	(60,800.00)	0.00	(60,800.00)	0.00	(60,800.00)
50-2-01	ETM - UNIFORMS	1,194.00	1,665.00	0.00	1,665.00	0.00	1,665.00

50-2-02	ETM - TRAVEL & TRAINING	5,793.00	5,125.00	0.00	5,125.00	0.00	5,125.00
50-2-03	ETM - STAFF MEETINGS	307.00		0.00	158.00	0.00	158.00
50-2-12	ETM - DUES & SUBSCRIPTIONS	0.00	894.00	0.00	894.00	0.00	894.00
50-2-62	ETM - SCADA SUPPLIES & MAINT	0.00	338.00	0.00	338.00	0.00	338.00
50-2-63	ETM - GIS SUPPLIES & SERVICE	17,725.00	18,059.00	0.00	18,059.00	0.00	18,059.00
50-2-71	ETM - COMPUTER EQUIP < 5,000	12,093.00	15,701.00	0.00	15,701.00	0.00	15,701.00
50-2-72	ETM - COMPUTER SOFTWARE & LIC	20,929.00	23,381.00	0.00	23,381.00	0.00	23,381.00
50-2-73	ETM - CLOUD SERVICES	154,938.00	139,153.00	0.00	139,153.00	0.00	139,153.00
50-2-99	ETM - Other Expense	219.00	117.00	0.00	117.00	0.00	117.00
50-3-11	ETM - COMPUTER SERVICES	31,030.00	27,838.00	0.00	27,838.00	0.00	27,838.00
50-5-01	ETM - VEHICLE/EQ FUEL	3,263.00	3,141.00	0.00	3,141.00	0.00	3,141.00
50-5-03	ETM - VEHICLE/EQ TIRES&BATTERY	165.00	397.00	0.00	397.00	0.00	397.00
50-5-04	ETM - VEHICLE/EQ REPAIRS	259.00	230.00	0.00	230.00	0.00	230.00
50-6-03	ETM - TELEPHONE	38,858.00	42,234.00	0.00	42,234.00	0.00	42,234.00
50-6-05	ETM - DATA SERVICES	26,970.00	27,922.00	0.00	27,922.00	0.00	27,922.00
50-8-04	ETM - CONCURRENCY	3,300.00	3,300.00	0.00	3,300.00	0.00	3,300.00
50-8-99	ETM - SBWR WATER MONITORING	5,630.00	5,912.00	0.00	5,912.00	0.00	5,912.00
Subtotal [7700.02]	Energy and Technology Management	718,334.00	762,997.00	0.00	762,997.00	0.00	762,997.00

Subgroup : [7700.03] Administration, Finance, Engineering, & Legal

60-1-01	PS - Salary & Wages	499,633.00	530,934.00	0.00	530,934.00	0.00	530,934.00
60-1-02	PS - State Retirement	61,979.00	107,767.00	0.00	107,767.00	0.00	107,767.00
60-1-03	PS - 403(b)	21,899.00	23,421.00	0.00	23,421.00	0.00	23,421.00
60-1-04	PS - Health, Dental, & Life	91,282.00	97,884.00	0.00	97,884.00	0.00	97,884.00
60-1-05	PS - Other Benefits	3,260.00	3,411.00	0.00	3,411.00	0.00	3,411.00
60-1-06	PS - FICA Taxes	38,156.00	40,282.00	0.00	40,282.00	0.00	40,282.00
60-2-01	PS - UNIFORMS	1,342.00	2,757.00	0.00	2,757.00	0.00	2,757.00
60-2-02	PS - Travel & Training	3,211.00	5,534.00	0.00	5,534.00	0.00	5,534.00
60-2-03	PS - Business Meetings	206.00	0.00	0.00	0.00	0.00	0.00
60-2-11	PS - Supplies	6,155.00	0.00	0.00	0.00	0.00	0.00
60-2-12	PS - Dues & Subscriptions	1,488.00	589.00	0.00	589.00	0.00	589.00
60-2-21	PS - Advertising	646.00	0.00	0.00	0.00	0.00	0.00
60-2-31	PS - Postage & Billing	38,856.00	43,824.00	0.00	43,824.00	0.00	43,824.00
60-2-41	PS - Conservation	18,995.00	22,091.00	0.00	22,091.00	0.00	22,091.00
60-2-99	PS - Office Expense - Other	7,862.00	124.00	0.00	124.00	0.00	124.00
60-3-31	PS - Control Board Expenses	21,871.00	0.00	0.00	0.00	0.00	0.00
60-3-32	PS - Staff Clothing	6,093.00	0.00	0.00	0.00	0.00	0.00
60-3-33	PS - Staff Mtg/Public Relation	3,451.00	0.00	0.00	0.00	0.00	0.00
60-3-99	PS - Other Services	1,556.00	2,640.00	0.00	2,640.00	0.00	2,640.00
60-5-01	PS - VEHICLE/EQ FUEL	10,483.00	7,778.00	0.00	7,778.00	0.00	7,778.00
60-5-03	PS - VEHICLE/EQ TIRES&BATTERY	2,545.00	3,161.00	0.00	3,161.00	0.00	3,161.00
60-5-04	PS - VEHICLE/EQ REPAIRS	616.00	2,066.00	0.00	2,066.00	0.00	2,066.00
66-1-01	ADM - Salary & Wages	920,442.00	959,279.00	0.00	959,279.00	0.00	959,279.00
66-1-02	ADM - State Retirement	107,593.00	184,474.00	0.00	184,474.00	0.00	184,474.00
66-1-03	ADM - 403(b)	40,100.00	42,781.00	0.00	42,781.00	0.00	42,781.00
66-1-04	ADM - Health, Dental, & Life	109,487.00	116,536.00	0.00	116,536.00	0.00	116,536.00
66-1-05	ADM - Other Benefits	(203,611.00)	6,144.00	0.00	6,144.00	0.00	6,144.00
66-1-06	ADM - FICA Taxes	67,315.00	68,005.00	0.00	68,005.00	0.00	68,005.00
66-1-07	ADM - Capitalized Labor	0.00	(224,100.00)	0.00	(224,100.00)	0.00	(224,100.00)
66-1-08	ADM - Incentives	44,644.00	47,098.00	0.00	47,098.00	0.00	47,098.00
66-2-01	ADM - UNIFORMS	1,211.00	3,281.00	0.00	3,281.00	0.00	3,281.00
66-2-02	ADM - Travel & Training	7,129.00	13,966.00	0.00	13,966.00	0.00	13,966.00
66-2-03	ADM - Business Meetings	5,470.00	5,196.00	0.00	5,196.00	0.00	5,196.00
66-2-04	ADM - Office Expense	31,539.00	20,453.00	0.00	20,453.00	0.00	20,453.00
66-2-11	ADM - Supplies	1,631.00	19,018.00	0.00	19,018.00	0.00	19,018.00
66-2-12	ADM - Dues & Subscriptions	1,930.00	4,181.00	0.00	4,181.00	0.00	4,181.00
66-2-19	ADM - Newsletter	6.00	(6.00)	0.00	(6.00)	0.00	(6.00)
66-2-21	ADM - Advertising	1,252.00	355.00	0.00	355.00	0.00	355.00
66-2-61	ADM - Computer Supplies	0.00	65.00	0.00	65.00	0.00	65.00
66-2-99	ADM - Other Expense	3,610.00	15,557.00	0.00	15,557.00	0.00	15,557.00
66-3-11	ADM - Computer Services	5,499.00	0.00	0.00	0.00	0.00	0.00
66-3-21	ADM - Engineering Services	26,647.00	47,313.00	0.00	47,313.00	0.00	47,313.00
66-3-31	ADM - Legal Service	9,207.00	11,242.00	0.00	11,242.00	0.00	11,242.00
66-3-32	ADM - Legal Service County	40,000.00	40,000.00	0.00	40,000.00	0.00	40,000.00
66-3-33	ADM - Control Board Expenses	0.00	19,737.00	0.00	19,737.00	0.00	19,737.00
66-3-34	ADM - Staff Clothing	0.00	4,510.00	0.00	4,510.00	0.00	4,510.00
66-3-35	ADM - Staff Mtg/Public Relatio	0.00	8,120.00	0.00	8,120.00	0.00	8,120.00
66-3-42	ADM - Audit Services	15,900.00	20,000.00	0.00	20,000.00	0.00	20,000.00
66-3-51	ADM - Bank Fees	4,785.00	4,864.00	0.00	4,864.00	0.00	4,864.00
66-3-52	ADM - Online Payment Fees	90,323.00	114,387.00	0.00	114,387.00	0.00	114,387.00
66-3-53	ADM - Payroll Services	0.00	5,206.00	0.00	5,206.00	0.00	5,206.00
66-3-99	ADM - Property Insurance	18,883.00	19,548.00	0.00	19,548.00	0.00	19,548.00
66-4-01	ADM - Other Services	0.00	1,268.00	0.00	1,268.00	0.00	1,268.00
66-5-01	ADM - VEHICLE/EQ FUEL	3,712.00	4,407.00	0.00	4,407.00	0.00	4,407.00
66-5-03	ADM - VEHICLE/EQ TIRES&BATTERY	6,821.00	3,346.00	0.00	3,346.00	0.00	3,346.00
66-5-04	ADM - VEHICLE/EQ REPAIRS	645.00	563.00	0.00	563.00	0.00	563.00
66-6-01	ADM - Utilities - Natural Gas	1,643.00	2,138.00	0.00	2,138.00	0.00	2,138.00
Subtotal [7700.03]	Administration, Finance, Engineering,	2,205,397.00	2,483,195.00	0.00	2,483,195.00	0.00	2,483,195.00

Subgroup : [7700.04] Depreciation

69-9-01	Depreciation Expense	1,961,081.00	2,103,842.00	0.00	2,103,842.00	0.00	2,103,842.00
69-9-02	Depreciation - PRM SID	337,283.00	337,283.00	0.00	337,283.00	0.00	337,283.00
69-9-03	Amortization - Subscriptions	0.00	0.00	100,262.00	100,262.00	0.00	100,262.00
Subtotal [7700.04]	Depreciation	2,298,364.00	2,441,125.00	100,262.00	2,541,387.00	0.00	2,541,387.00
Total [7700]	Operating Expenses	11,186,438.00	12,067,328.00	100,262.00	12,167,590.00	0.00	12,167,590.00

Group : [7800] Nonoperating Revenues and Expenses

Subgroup : [7830.00] Impact Fees							
38-1-01	Impact Fees - All Collections	(1,156,954.00)	(817,534.00)	0.00	(817,534.00)	0.00	(817,534.00)
Subtotal [7830.00]	Impact Fees	(1,156,954.00)	(817,534.00)	0.00	(817,534.00)	0.00	(817,534.00)

Subgroup : [7830.01] Interest Income

37-2-01	Int Earn - PTIF 4072 OPER RSRV	(412,885.00)	(328,709.00)	0.00	(328,709.00)	0.00	(328,709.00)
37-2-11	Int Earn - PTIF 4092 DW CRF	(34,516.00)	(29,997.00)	0.00	(29,997.00)	0.00	(29,997.00)
37-2-12	INT EARN - PTIF 8170 East Cany	(154.00)	(134.00)	0.00	(134.00)	0.00	(134.00)
37-2-13	Int Earn - PTIF 5014 LC CRF	(42,432.00)	(38,710.00)	0.00	(38,710.00)	0.00	(38,710.00)
37-3-01	Int Earn - PTIF 4093 Impac Fee	(246,536.00)	(226,985.00)	0.00	(226,985.00)	0.00	(226,985.00)
37-3-02	Int Earn - PTIF 4839 ALT DSR	(60,004.00)	(46,236.00)	0.00	(46,236.00)	0.00	(46,236.00)
37-3-03	Int Earn - PTIF 5257 Stgch Ass	(885.00)	(172.00)	0.00	(172.00)	0.00	(172.00)
37-3-04	Int Earn - PTIF 5316 Drought R	(45,979.00)	(39,170.00)	0.00	(39,170.00)	0.00	(39,170.00)
37-3-06	Int Earn - PTIF 8194 PRM SAA P	(19,266.00)	(9,623.00)	0.00	(9,623.00)	0.00	(9,623.00)
37-3-07	INT EARN - PTIF 8195 PRM SAA S	(13,229.00)	(12,338.00)	0.00	(12,338.00)	0.00	(12,338.00)
37-3-08	INT EARN - PTIF 8798 Comm. Wat	(1,875.00)	(1,753.00)	0.00	(1,753.00)	0.00	(1,753.00)
37-4-41	Int Earn - Series 2014 Bond	(17,385.00)	(14,944.00)	0.00	(14,944.00)	0.00	(14,944.00)
37-4-51	INT EARN - SERIES 2019A	(59,837.00)	(50,836.00)	0.00	(50,836.00)	0.00	(50,836.00)
37-4-61	INT EARN - SERIES 2019B	(9,125.00)	(8,325.00)	0.00	(8,325.00)	0.00	(8,325.00)
37-4-62	INT EARN - SERIES 2023	(944,643.00)	(436,143.00)	0.00	(436,143.00)	0.00	(436,143.00)
37-5-05	Int Earn - Series 2008 DSR CF	(15,336.00)	(12,262.00)	0.00	(12,262.00)	0.00	(12,262.00)
37-5-07	Int Earn - Series 2011A DSR	(91,709.00)	(84,261.00)	0.00	(84,261.00)	0.00	(84,261.00)
37-5-08	Int Earn - Series 2011B DS CFR	(6,123.00)	(5,029.00)	0.00	(5,029.00)	0.00	(5,029.00)
37-6-01	Int Earn - PTIF 2179 CUST DEP	(52,008.00)	(35,286.00)	0.00	(35,286.00)	0.00	(35,286.00)
37-8-01	Int Earn - PTIF 1199 CAP PRJ	(23,052.00)	(23,026.00)	0.00	(23,026.00)	0.00	(23,026.00)
38-2-02	2014 PRM SAA Assessments	(26,516.00)	(53,516.00)	0.00	(53,516.00)	0.00	(53,516.00)

Subtotal [7830.01]	Interest Income	<u>(2,123,495.00)</u>	<u>(1,457,455.00)</u>	<u>0.00</u>	<u>(1,457,455.00)</u>	<u>0.00</u>	<u>(1,457,455.00)</u>
Subgroup : [7830.02]	Special Assessments						
38-2-11	Infr Assess Stagecoach	(148,529.00)	(158,288.00)	0.00	(158,288.00)	0.00	(158,288.00)
38-2-21	Infr Assess Community Water	(161,360.00)	(161,862.00)	0.00	(161,862.00)	0.00	(161,862.00)
Subtotal [7830.02]	Special Assessments	<u>(309,889.00)</u>	<u>(320,150.00)</u>	<u>0.00</u>	<u>(320,150.00)</u>	<u>0.00</u>	<u>(320,150.00)</u>
Subgroup : [7830.03]	Intergovernmental Grant Revenue						
36-1-01	Defer Bond Grant - Ser 2003/12	(11,667.00)	(11,667.00)	0.00	(11,667.00)	0.00	(11,667.00)
Subtotal [7830.03]	Intergovernmental Grant Revenue	<u>(11,667.00)</u>	<u>(11,667.00)</u>	<u>0.00</u>	<u>(11,667.00)</u>	<u>0.00</u>	<u>(11,667.00)</u>
Subgroup : [7830.04]	Other Nonoperating Revenue						
36-1-02	Grants	(400,000.00)	(548,322.00)	0.00	(548,322.00)	0.00	(548,322.00)
36-3-01	Other Non Operating Revenue	(20,231.00)	(20,096.00)	0.00	(20,096.00)	0.00	(20,096.00)
36-5-01	Development Inspect/Eng Fees	(104,034.00)	(62,567.00)	0.00	(62,567.00)	0.00	(62,567.00)
Subtotal [7830.04]	Other Nonoperating Revenue	<u>(524,265.00)</u>	<u>(630,985.00)</u>	<u>0.00</u>	<u>(630,985.00)</u>	<u>0.00</u>	<u>(630,985.00)</u>
Subgroup : [7830.05]	Gain (Loss) on Sale of Capital Assets						
36-2-01	Sale of Assets	(28,032.00)	(1,087,261.00)	0.00	(1,087,261.00)	0.00	(1,087,261.00)
Subtotal [7830.05]	Gain (Loss) on Sale of Capital Assets	<u>(28,032.00)</u>	<u>(1,087,261.00)</u>	<u>0.00</u>	<u>(1,087,261.00)</u>	<u>0.00</u>	<u>(1,087,261.00)</u>
Subgroup : [7830.06]	Bond Issuance Costs						
83-1-02	Bond Issuance Expense	0.00	61,000.00	0.00	61,000.00	0.00	61,000.00
Subtotal [7830.06]	Bond Issuance Costs	<u>0.00</u>	<u>61,000.00</u>	<u>0.00</u>	<u>61,000.00</u>	<u>0.00</u>	<u>61,000.00</u>
Subgroup : [7830.07]	Interest Expense and Fiscal Charges						
81-4-32	Int Amortize - Series 2012	80,057.00	80,057.00	0.00	80,057.00	0.00	80,057.00
81-4-41	Int Exp - Series 2014	173,961.00	152,768.00	0.00	152,768.00	0.00	152,768.00
81-4-42	Int Amortize - Series 2014	(56,231.00)	(56,231.00)	0.00	(56,231.00)	0.00	(56,231.00)
81-5-05	Interest Exp - Series 2008	19,967.00	15,755.00	0.00	15,755.00	0.00	15,755.00
81-5-07	Interest Exp - Series 2011A	4,483.00	3,866.00	0.00	3,866.00	0.00	3,866.00
81-5-08	Interest Exp - Series 2019A	555,715.00	516,468.00	0.00	516,468.00	0.00	516,468.00
81-5-10	Interest Expense - 2019B Serie	37,840.00	35,437.00	0.00	35,437.00	0.00	35,437.00
81-5-11	Interest Expense - Series 2023	920,272.00	918,968.00	0.00	918,968.00	0.00	918,968.00
81-9-91	Interest Exp - WB Lease Fees	47,936.00	41,652.00	0.00	41,652.00	0.00	41,652.00
81-9-92	Int Exp - County Note 2022	38,957.00	35,086.00	0.00	35,086.00	0.00	35,086.00
Subtotal [7830.07]	Interest Expense and Fiscal Charges	<u>1,822,957.00</u>	<u>1,743,826.00</u>	<u>0.00</u>	<u>1,743,826.00</u>	<u>0.00</u>	<u>1,743,826.00</u>
Subgroup : [7830.08]	Other Nonoperating Expenses						
82-4-41	Trustee Fees - Series 2014	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
82-5-05	Trustee Fees - Series 2008	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
82-5-07	Trustee Fees - Series 2011A	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
82-5-08	Trustee Fees - Series 2011B	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
82-5-09	Trustee Fees - Series 2019A	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
82-5-10	TRUSTEE Fees - Series 2019B	3,750.00	1,750.00	0.00	1,750.00	0.00	1,750.00
82-5-11	TRUSTEE Fees - Series 2023	0.00	2,000.00	0.00	2,000.00	0.00	2,000.00
83-1-03	Bond Insurance Expense	2,000.00	2,000.00	0.00	2,000.00	0.00	2,000.00
Subtotal [7830.08]	Other Nonoperating Expenses	<u>15,750.00</u>	<u>15,750.00</u>	<u>0.00</u>	<u>15,750.00</u>	<u>0.00</u>	<u>15,750.00</u>
Total [7800]	Nonoperating Revenues and Expense	<u>(2,315,595.00)</u>	<u>(2,504,476.00)</u>	<u>0.00</u>	<u>(2,504,476.00)</u>	<u>0.00</u>	<u>(2,504,476.00)</u>
Group : [7900]	Capital Contributions						
Subgroup : [7900.00]	Capital Contributions						
39-2-01	Transfers from Developers	(921,003.00)	(2,054,167.00)	0.00	(2,054,167.00)	0.00	(2,054,167.00)
Subtotal [7900.00]	Capital Contributions	<u>(921,003.00)</u>	<u>(2,054,167.00)</u>	<u>0.00</u>	<u>(2,054,167.00)</u>	<u>0.00</u>	<u>(2,054,167.00)</u>
Total [7900]	Capital Contributions	<u>(921,003.00)</u>	<u>(2,054,167.00)</u>	<u>0.00</u>	<u>(2,054,167.00)</u>	<u>0.00</u>	<u>(2,054,167.00)</u>
	NET (INCOME) LOSS	<u>(7,035,905.00)</u>	<u>(9,336,089.00)</u>	<u>100,262.00</u>	<u>(9,235,827.00)</u>	<u>0.00</u>	<u>(9,235,827.00)</u>
	Sum of Account Groups	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Client: **19660 - Mountain Regional Water Special Service District**
 Engagement: **2025 Audit**
 Period Ending: **12/31/2025**
 Trial Balance: **TB**
 Workpaper: **AJE - Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
PBC - Matterhorn Adjustment				
15-1-03	FA - Water System Improvements		81,312.00	
18-1-43	WIP - Matterhorn Terrace		81,312.00	
18-1-99	Capitalize WIP		81,312.00	
18-1-43	WIP - Matterhorn Terrace			81,312.00
18-1-99	Capitalize WIP			81,312.00
21-1-11	Accounts Payable - Non System			81,312.00
Total			243,936.00	243,936.00
Adjusting Journal Entries JE # 2				
Record SBITA				
15-1-05	FA - Furnishing/Fixtures		25,998.00	
69-9-03	Amortization - Subscriptions		100,262.00	
15-2-05	ACCDEP - Furniture			100,262.00
24-1-02	Subscription Liability			25,998.00
Total			126,260.00	126,260.00
Adjusting Journal Entries JE # 3				
Reclass net position				
99-1-01	Begin Retained Position		67,669,193.00	
99-1-02	Begin Developer Contributions		27,914,528.00	
99-1-03	Restricted Net Position - Capital			7,291,431.00
99-1-04	Restricted Net Position - Debt			2,418,428.00
99-1-05	Net Investment in Capital Assets			85,873,862.00
Total			95,583,721.00	95,583,721.00
Total Adjusting Journal Entries			95,953,917.00	95,953,917.00
Total All Journal Entries			95,953,917.00	95,953,917.00

May 28, 2026

Squire & Company, PC
1329 South 800 East
Orem, Utah 84097

This representation letter is provided in connection with your audit of the financial statements of Mountain Regional Water Special Service District (the District) as of and for the year ended December 31, 2025 and the related notes to the basic financial statements, for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the District in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 28, 2026:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 20, 2026, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. As part of the audit, you assisted with the preparation of our financial statements and the related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions relating to the financial statements and the related notes. We have reviewed, approved, and accepted responsibility for those financial statements and the related notes prior to their issuance.
2. We have reviewed, approved, and taken responsibility for adjusting, reclassifying, eliminating, and converting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

8. We have provided views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
9. With regards to nonattest services performed by you, we acknowledge our responsibility to:
 - a. Assume all management responsibilities;
 - b. Designate an individual who possesses suitable skill, knowledge, or experience to oversee the services;
 - c. Evaluate the adequacy and results of the services performed; and
 - d. Accept responsibility for the results of the services.
10. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
12. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
13. The effects of uncorrected misstatements summarized and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements as a whole.
14. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
15. All funds and activities are properly classified.
16. All funds that meet the quantitative criteria in U.S. GAAP for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
17. All components of net position and classifications of fund balance are properly reported and, if applicable, approved.
18. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
19. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
20. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. Regarding investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.

- c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
25. With respect to the required supplementary information (RSI) accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the RSI in accordance with the Governmental Accounting Standards Board.
 - b. We believe the RSI, including its form and content, is measured and fairly presented in accordance with prescribed guidelines.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
26. Arrangements with financial institutions involving restrictions on cash balances have been properly disclosed.

Information Provided

27. We have provided you with:
- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, minutes of the meetings of Administrative Control Board or summaries of actions of recent meetings for which minutes have not yet been prepared, communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our analysis of the District's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
31. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
32. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the District's financial statements communicated by employees, former employees, vendors, regulators, or others.

33. We have identified and disclosed to you all known instances that have occurred or are likely to have occurred of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
34. We have identified and disclosed to you all information that we are aware of regarding instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
35. We have disclosed to you all known litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
36. We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.
37. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
38. The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
39. We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
40. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with U.S. GAAP. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
42. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with U.S. GAAP.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by U.S. GAAP.
43. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial reporting purposes are appropriate in the circumstances.

State Compliance Audit

46. With respect to state compliance requirements:
- a. We are responsible for understanding and complying with and have complied with state compliance requirements.
 - b. We are responsible for establishing and maintaining controls that provide reasonable assurance that we are administering our state compliance requirements in accordance with Office of the Utah State Auditor requirements and state grantor agency guidelines.
 - c. We have identified and disclosed to you all of our activities subject to state compliance requirements.
 - d. We have made available to you all contracts and agreements, including amendments, if any, and any other correspondence relevant to activities subject to state compliance requirements.
 - e. We are not aware of any instances of noncompliance with state compliance requirements.
 - f. We believe the District has complied with state compliance requirements.
 - g. We have made available to you all documentation related to state compliance requirements, including information related to state program financial reports and claims for reimbursements.
 - h. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
 - i. Claims for reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with state grantor agency guidelines).
 - j. We have properly classified amounts claimed or used for matching in accordance with state grantor agency guidelines.
 - k. We have charged costs to programs in accordance with applicable cost principles.
 - l. We have disclosed to you any communications from the Office of the Utah State Auditor, state grantor agencies, and pass-through entities concerning possible noncompliance with state compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of our report.
 - m. We have disclosed to you the findings received and related corrective actions taken from previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - n. We are not aware of any known noncompliance with state compliance requirements after the period covered by your report on state compliance.
 - o. We are responsible for taking corrective action on audit findings of the compliance audit.

Signature: *Andy Garland*
Andy Garland, General Manager

Signature: *Steve Anderson*
Steve Anderson, Chief Financial Officer