TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT

FINANCIAL STATEMENTS

December 31, 2024, and 2023

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INDEPENDENT AUDITOR'S REPORT

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

To the Chairman and Board of Trustees
Taylorsville-Bennion Improvement District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Taylorsville-Bennion Improvement District (the District), as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taylorsville-Bennion Improvement District as of December 31, 2024 and 2023, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 Responsibility 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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
March 24, 2025

Management's Discussion and Analysis is presented in three sections. The introductory section will show some of the highlights of the past year along with other important data, figures, and facts. The second section analyzes the results of operations, and the final section will address our consolidated revenues, expenses, and other liabilities.

Cautionary Statements

From time to time, in written reports and oral statements, we discuss our expectations regarding Taylorsville-Bennion Improvement District's future performance. These "forward-looking statements" are based on currently available financial and economic data and our operating plans. They are also inherently uncertain, and readers must recognize that events could turn out to be significantly different from what we expect.

Introduction

Taylorsville-Bennion Improvement District offers readers of its financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2024. The District encourages readers to consider the information presented in conjunction with the schedules, notes, and other reports found herein.

Taylorsville-Bennion Improvement District provides competitively-priced, customer-focused, drinking water and wastewater services. Our strategy recognizes that our products and services are essential to life and that our customers' expectations are high.

Taylorsville-Bennion Improvement District owns 11 active wells, 16 reservoirs, 3 active booster stations, 3 fluoride and chlorine injection plants, 1 lift station and over 246 miles of water pipeline and over 188 miles of sewer pipeline. The District provides operations and maintenance for culinary water distribution and wastewater collection to:

- 16,705 individual residential households
- 522 commercial customers
- 202 institutional customers
- 5 industrial customers
- 70,300 population

The following is a discussion and analysis of Taylorsville-Bennion Improvement District's financial activities for the years ended December 31, 2024, and 2023. Please read it in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District increased rates by 3% in 2024 and 17% in 2023, as recommended by our 3rd party rate consultant. This funding allows us to be proactive in reviewing, maintaining and repairing our aging infrastructure.
- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at December 31, 2024 by $115,609,702 (net position). Of this amount, $58,205,508 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors. The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at December 31, 2023 by $104,623,286 (net position). Of this amount, $51,096,225 (unrestricted net assets) may be used to meet the District's ongoing obligations to citizens and creditors.

- The District's total net position increased by $10,986,416 as of December 31, 2024. The increase was primarily a result of a $2,244,455 increase in operating revenues, a $351,770 increase in impact fees due to several large developments, and increases of capital contributions to the District of $1,450,400, offset by a $1,907,912 increase in operating expenses, and a decrease in the gain on the Investment in Central Valley. The District's total net position increased by $9,648,825 as of December 31, 2023. The increase was primarily a result of a $4,966,051 increase in operating revenues, a $1,596,821 increase in interest income due to higher interest rates during the year, and a $417,292 increase in the Investment in Central Valley.
- In 2024, operating revenues increased by $2,244,455 (10.1%), as a result of rate increases and increased usage. Operating expenses, however, increased $1,907,912. In 2023, operating revenues increased by $4,966,051 (28.6%), as a result of rate increases and increased usage. Operating expenses, however, increased $1,674,718.
- The District's total long-term debt decreased by $575,297 during 2024. The decrease was primarily attributable to principal payments on the Water and Sewer Revenue bonds ($1,149,000), offset by increase of the net pension liability ($180,998), compensated absences ($113,902), and other termination benefits ($278,803). The District's total long-term debt decreased by $301,511 during 2023. The decrease was primarily attributable to principal payments on the Water and Sewer Revenue bonds ($1,139,000), increase of the net pension liability ($393,058), offset with some increases related to compensated absences, and other termination benefits.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Overview of the financial statements

The District's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States as promulgated by the Governmental Accounting Standards Board ("GASB"). The District reports as a single enterprise fund. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the District's significant accounting policies.

The statements of net position presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as total net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating.

The statements of revenues, expenses and changes in net position present information showing how the net position changed during the fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.

The statements of cash flows show a summary of the District's cash receipts and disbursements from operating, financing and investing activities.

The notes provide additional information that is essential to the full understanding of the data provided in the fund financial statements. The notes are part of the basic financial statements.

Net Position

The District's net position is comprised of net investments in capital assets ($57,369,713) and unrestricted ($58,205,508). Net investment in capital assets reflects the District's investment in capital assets (e.g. land, buildings, water system, sewer system, equipment, and water rights) less any related debt used to acquire those assets that is still outstanding. Resources needed to repay capital-related debt must be provided from other sources. The District's net position restricted for debt service is subject to external restrictions.

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT'S STATEMENTS OF NET POSITION

	2024	2023	2022
Current and other assets	$ 66,042,586	$ 58,933,653	$ 58,997,020
Capital assets, net	77,761,713	75,032,970	68,716,037
Total assets	143,804,299	133,966,623	127,713,057
Deferred outflows of resources	1,329,581	1,010,007	774,872
Long-term liabilities	25,044,460	26,108,395	26,576,456
Other liabilities	3,277,935	3,025,048	4,056,784
Total liabilities	28,322,395	29,133,443	30,633,240
Deferred inflows of resources	1,201,783	1,219,901	2,880,228
Net position			
Net investment in capital assets	57,369,713	53,491,970	62,665,878
Restricted	34,481	35,091	-
Unrestricted	58,205,508	51,096,225	32,308,583
Total net position	$ 115,609,702	$ 104,623,286	$ 94,974,461

Changes in Net Position

The District's net position increased by $10,986,416 during the year ended December 31, 2024. Key elements of this overall increase are as follows:

- An increase in net investment in capital assets of $3,877,743.
- Operating revenue exceeded operating expenses by $5,851,948 (operating income).
- A net gain in equity in Central Valley Water Reclamation Facility of $507,159.
- An increase in interest income of $139,614.

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT'S CHANGES IN NET POSITION

	2024	2023	2022
Operating revenues:			
Water sales	$ 12,496,131	$ 10,739,225	$ 8,931,206
Sewer service	11,890,847	11,435,835	8,242,086
Other	190,199	157,662	193,379
Nonoperating revenues:			
Property taxes and assessments	478,165	492,744	478,351
Interest income	2,012,047	1,872,433	275,612
Gain on disposal of capital assets	83,480	273,040	272,715
Impact fees	841,369	489,599	602,341
Lease revenue	19,427	27,348	37,361
Gain in equity of Central Valley Water Reclamation Facility	507,159	1,245,539	828,247
Total revenues	28,518,824	26,733,425	19,861,298
Operating expenses:			
Direct operation and maintenance - water	5,492,433	4,752,685	4,464,920
Direct operation and maintenance - sewer	5,355,208	5,232,650	4,742,712
General and administrative	4,026,814	3,569,154	2,954,834
Depreciation and amortization	3,850,774	3,262,828	2,980,133
Nonoperating expenses:			
Interest expense	325,079	334,783	343,852
Total expenses	19,050,308	17,152,100	15,486,451
Excess (deficiency) before capital contributions	9,468,516	9,581,325	4,374,847
Capital contributions	1,517,900	67,500	1,157,500
Change in net position	10,986,416	9,648,825	5,532,347
Net position, beginning	104,623,286	94,974,461	89,442,114
Net position, ending	$ 115,609,702	$ 104,623,286	$ 94,974,461

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets, as of December 31, 2024 totaled $77,761,713 (net of accumulated depreciation) which is an increase of $2,728,743 from December 31, 2023. This investment in capital assets includes the water system, sewer system, administrative buildings and land, water rights, well houses, reservoirs, and equipment.

Major capital asset events during 2024 included the following:

- Increase in water systems of $1,377,995.
- Increase in water meters, fittings, and accessories of $3,099,938.
- Increase in water wells of $165,011.
- Increase in equipment of $423,016, and disposals of equipment of $548,764.
- Increase in sewer systems of $720,595.
- Depreciation expense of $3,850,774 recognized.

TAYLORSVILLE-BENNOIN IMPROVEMENT DISTRICT CAPITAL ASSETS

	2024	2023	2022
Land	$ 2,605,709	$ 2,605,709	$ 2,605,709
Water rights	1,512,644	1,512,644	1,512,644
Buildings	5,775,211	5,163,194	5,123,959
Sewer systems	36,391,172	35,670,577	31,371,447
Water systems	66,604,084	65,226,089	64,268,570
Water wells	18,181,246	18,016,235	17,628,646
Meters and accessories	14,891,619	11,791,681	8,236,079
Equipment	5,681,704	5,258,688	5,261,040
Less accumulated depreciation	(73,881,676)	(70,211,847)	(67,292,057)
Capital assets, net of accumulated depreciation	$ 77,761,713	$ 75,032,970	$ 68,716,037

Additional information on the District's capital assets can be found in Note 5.

Long-Term Debt

At December 31, 2024, the District had water and sewer revenue bonds of $20,392,000 outstanding. The Series 2021 Water and Sewer revenue bonds were issued during 2021. The District has no other bonds outstanding. See Note 9 for additional information.

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT'S OUTSTANDING
LONG-TERM LIABILITIES

	2024	2023	2022
Accrued termination benefits	$ 5,174,588	$ 4,895,785	$ 4,536,882
Accrued compensated absences	817,371	703,469	617,941
Water and sewer revenue bond, series 2021	20,392,000	21,541,000	22,680,000
Net pension liability	574,056	393,058	-
Total long-term liabilities	$ 26,958,015	$ 27,533,312	$ 27,834,823

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT'S BUDGET VS. ACTUAL AMOUNTS

	Budget Amount	Actual Results	Variance
Operating revenues:			
Water and sewer service fees	$ 22,965,000	$ 24,386,978	$ 1,421,978
Miscellaneous	200,000	209,626	9,626
Total operating revenues	23,165,000	24,596,604	1,431,604
Non-operating revenues:			
Property tax	495,594	478,165	(17,429)
Contributions from builders and subdividers	-	1,517,900	1,517,900
Impact fees	133,700	841,369	707,669
Interest income	2,413,500	2,012,047	(401,453)
Gain on disposal of capital assets	-	83,480	83,480
Total non-operating revenues	3,042,794	4,932,961	1,890,167
Total revenues	26,207,794	29,529,565	3,321,771
Operating expenses:			
Salaries and benefits	5,892,100	5,758,651	133,449
Office expenses	1,015,000	837,914	177,086
Water and sewer system	6,196,300	4,994,638	1,201,662
Utilities	834,000	786,471	47,529
Gas and oil	136,000	97,690	38,310
Water purchases	2,152,000	2,058,979	93,021
Professional fees	100,400	68,245	32,155
Depreciation and amortization	3,420,000	3,850,774	(430,774)
Miscellaneous expense	691,300	271,867	419,433
Total operating expense	20,437,100	18,725,229	1,711,871
Non-operating expenses			
Interest expense	327,000	325,079	1,921
Loss in equity of Central Valley Water Reclamation Facility	1,500,000	(507,159)	2,007,159
Total non-operating expenses	1,827,000	(182,080)	2,009,080
Total expenses	22,264,100	18,543,149	3,720,951
Excess of revenues over expenses	3,943,694	10,986,416	(399,180)
Capital projects	25,070,700	5,682,088	19,388,612
Debt service	1,149,000	1,149,000	-

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT'S TOTAL TAXABLE VALUATION, CERTIFIED TAX RATE/MILL LEVY, AND TAXES LEVIED AND COLLECTED

The following is a summary of Taylorsville-Bennion Improvement District's certified tax rate, and taxes levied and collected by year for a ten-year period including 2015-2024, as provided by Salt Lake County.

Year	Tax Rate	Taxes Levied	Taxes Collected	Collection Percentage
2015	0.0157%	$ 438,436	$ 420,374	95.88%
2016	0.0146%	445,687	432,341	97.01%
2017	0.0136%	448,094	437,619	97.66%
2018	0.0125%	453,381	439,788	97.00%
2019	0.0116%	458,439	447,800	97.68%
2020	0.0112%	439,399	441,559	100.49%
2021	0.0102%	445,651	461,571	103.57%
2022	0.0083%	448,120	448,646	100.12%
2023	0.0082%	451,221	462,863	102.58%
2024	0.0076%	451,094	453,662	100.57%

Economic Factors and Next Year's Budgets and Rates

The 2024 budget year reflects a decrease in water sales revenues and an increase in sewer service charge revenues. The District has budgeted for increases in costs overall, but specifically for personnel costs, water purchases, and depreciation. The District also has several significant projects to begin in 2025. The District's capital budget for 2025 is approved at $26,786,700, which includes water line projects for $14,230,000, office site storage building costs of $4,681,000, sewer line rehabilitation of $1,170,000, and several other smaller projects.

Requests for Information

This financial report is designed to provide a general overview of Taylorsville-Bennion Improvement District's finances for all those with an interest. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the accounting office at P.O. Box 18579, Taylorsville, Utah 84118-0579.

FINANCIAL STATEMENTS

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
STATEMENTS OF NET POSITION
December 31, 2024, and 2023

	2024	2023
Current assets:		
Cash and cash equivalents	$ 28,731,489	$ 23,986,136
Marketable securities	12,842,364	12,152,001
Receivables:		
Water and sewer charges	1,939,986	1,882,851
Certified liens	316,607	252,210
Impact fees	152,923	155,839
Lease	1,195,422	1,214,848
Unremitted property taxes	50,040	4,217
Inventory	498,626	475,431
Total current assets	46,021,964	40,123,533
Noncurrent assets:		
Restricted cash and cash equivalents	34,481	35,091
Capital assets:		
Land	2,605,709	2,605,709
Water rights	1,512,644	1,512,644
Buildings	5,775,211	5,163,194
Sewer systems	36,391,172	35,670,577
Water systems	66,604,084	65,226,089
Water wells	18,181,246	18,016,235
Meters and accessories	14,891,619	11,791,681
Equipment	5,681,704	5,258,688
Less accumulated depreciation	(73,881,676)	(70,211,847)
Investment in Central Valley Water Reclamation Facility	19,986,141	18,775,029
Total noncurrent assets	97,782,335	93,843,090
Total assets	143,804,299	133,966,623
Deferred outflows of resources:		
Deferred outflows of resources relating to pensions	1,329,581	1,010,007
Total deferred outflows of resources	1,329,581	1,010,007
Total assets and deferred outflows of resources	$ 145,133,880	$ 134,976,630

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

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
STATEMENTS OF NET POSITION (Continued)
December 31, 2024, and 2023

	2024	2023
Current liabilities:		
Accounts payable	$ 314,823	$ 767,222
Accrued interest on bonds	12,987	13,411
Payable to Central Valley Water Reclamation Facility	861,549	650,817
Engineering deposits	70,822	64,872
Unearned revenue	104,199	103,809
Accrued compensated absences - current portion	144,649	136,668
Accrued termination benefits - current portion	609,906	139,249
Bonds payable - current portion	1,159,000	1,149,000
Total current liabilities	3,277,935	3,025,048
Noncurrent liabilities:		
Accrued compensated absences	672,722	566,801
Accrued termination benefits	4,564,682	4,756,536
Bonds payable	19,233,000	20,392,000
Net pension liability	574,056	393,058
Total noncurrent liabilities	25,044,460	26,108,395
Total liabilities	28,322,395	29,133,443
Deferred inflows of resources:		
Deferred inflows of resources relating to pensions	6,361	5,053
Deferred inflows of resources relating to leases	1,195,422	1,214,848
Total deferred inflows of resources	1,201,783	1,219,901
Net position:		
Net investment in capital assets	57,369,713	53,491,970
Restricted - debt service	34,481	35,091
Unrestricted	58,205,508	51,096,225
Total net position	115,609,702	104,623,286
Total liabilities, deferred inflows of resources, and net position	$ 145,133,880	$ 134,976,630

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

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended December 31, 2024, and 2023

	2024	2023
Operating revenues:		
Water sales	$ 12,496,131	$ 10,739,225
Sewer service	11,890,847	11,435,835
Other	190,199	157,662
Total operating revenues	24,577,177	22,332,722
Operating expenses:		
Direct operation and maintenance - water	5,492,433	4,752,685
Direct operation and maintenance - sewer	5,355,208	5,232,650
General and administrative	4,026,814	3,569,154
Depreciation and amortization	3,850,774	3,262,828
Total operating expenses	18,725,229	16,817,317
Operating income	5,851,948	5,515,405
Nonoperating revenues (expenses)		
Property taxes	478,165	492,744
Interest income	2,012,047	1,872,433
Impact fees	841,369	489,599
Lease revenue	19,427	27,348
Interest expense	(325,079)	(334,783)
Gain (loss) on disposal of capital assets	83,480	273,040
Net gain (loss) in equity of Central Valley Water Reclamation Facility	507,159	1,245,539
Total nonoperating revenues (expenses)	3,616,568	4,065,920
Income before capital contributions	9,468,516	9,581,325
Capital contributions from builders and subdividers	1,517,900	67,500
Change in net position	10,986,416	9,648,825
Net position, beginning	104,623,286	94,974,461
Net position, ending	$ 115,609,702	$ 104,623,286

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

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024, and 2023

	2024	2023
Cash flows from operating activities:		
Receipts from customers and users	$ 24,265,836	$ 21,537,844
Receipts from other sources	190,199	157,662
Payments to employees for services	(5,503,214)	(4,963,456)
Payment to suppliers of goods and services	(9,669,223)	(9,613,489)
Net cash provided by operating activities	9,283,598	7,118,561
Cash flows from noncapital financing activities:		
Cash received from property taxes	432,342	522,498
Net cash provided by noncapital financing activities	432,342	522,498
Cash flows from capital and related financing activities:		
Proceeds from sale of fixed assets	451,300	531,532
Acquisition and construction of capital assets	(5,429,437)	(9,770,753)
Impact fees	844,285	528,676
Lease revenues	19,427	27,348
Proceeds from bond issuance	-	-
Principal paid on capital debt	(1,149,000)	(1,139,000)
Interest paid on capital debt	(325,503)	(335,185)
Net investment in Central Valley Water Reclamation Facility	(703,953)	(792,738)
Net cash provided by capital and related financing activities	(6,292,881)	(10,950,120)
Cash flows from investing activities:		
Interest income on investments	1,852,607	1,683,492
Net cash received (paid) for purchase of marketable securities	(530,923)	(432,243)
Net cash provided by investment activities	1,321,684	1,251,249
Net increase (decrease) in cash and cash equivalents	4,744,743	(2,057,812)
Cash and cash equivalents, beginning of year	24,021,227	26,079,039
Cash and cash equivalents, end of year	$ 28,765,970	$ 24,021,227
As reported on the statement of net position:		
Cash and cash equivalents	$ 28,731,489	$ 23,986,136
Restricted cash and cash equivalents	34,481	35,091
Total cash and cash equivalents, end of year	$ 28,765,970	$ 24,021,227

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

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
For the Years Ended December 31, 2024, and 2023

	2024	2023
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 5,851,948	$ 5,515,405
Noncash operating activities adjustment:		
Depreciation and amortization	3,850,774	3,262,828
Pension adjustment	(137,268)	(286,758)
Changes in assets and liabilities:		
(Increase) decrease in operating assets:		
Accounts receivable	(121,532)	(585,603)
Inventory of materials	(23,195)	(33,858)
Increase (decrease) in operating liabilities:		
Accounts payable	(452,399)	(1,194,626)
Unearned revenue	390	(51,613)
Other payables	216,682	48,355
Accrued compensated absences	113,902	85,528
Accrued termination benefits	278,803	358,903
Net cash provided by operating activities	$ 9,283,598	$ 7,118,561
Schedule of non-cash capital and related financing activities:		
Capital contributions - builders and subdividers	$ 1,517,900	$ 67,500
Gain (loss) on investment in Central Valley Water Reclamation Facility	$ 507,159	$ 1,245,539

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of Taylorsville-Bennion Improvement District (the District) consistently applied in the preparation of the accompanying financial statements follows:

The Reporting Entity

The Taylorsville-Bennion Improvement District is a political subdivision of the State of Utah organized during June 1957 for the purpose of providing sewer and water services. The District is not a component unit of another government as defined by Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity: Omnibus,* since the District is a special service district governed by a board of trustees which are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units defined in GASB Statement 39, *Determining Whether Certain Organizations Are Component Units,* which are included in the District's reporting entity.

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

Financial Statement Presentation and Basis of Accounting

The District prepares its financial statements on an enterprise fund basis, which is reporting using the *economic resources measurement focus* and the *accrual basis of accounting*. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business, where the intent is that all costs of providing certain goods and services to the general public be financed or recovered primarily through user charges, or where it has been deemed that periodic determination of net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Revenues from operations, investments, and other sources are recorded when earned and expenses are recorded when liabilities are incurred. Non-exchange transactions, in which the District receives value without directly giving equal value in return, includes property tax revenue and contributed water and sewer lines.

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

Cash and Cash Equivalents

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Materials and supplies inventories are stated at the lower of cost (first-in, first-out) or market.

Management Estimates

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

Capital Contributions

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions,* capital contributions are recorded as revenues.

Accounts Receivable

Accounts receivable are comprised of receivables on water sales and sewer service charges, certified liens, and impact fees. Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management does not expect any material uncollectible amounts as uncollected fees are certified to the county and attached as liens on the related real estate.

Investments

Investments are stated at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application.* This Statement generally requires investments to be measured at fair value. Investments not measured at fair value continue to include, for example, money market investments and synthetic guaranteed investment contracts. A government is permitted in certain circumstances to establish the fair value of an investment that does not have a readily determinable fair value by using the net asset value per share (or its equivalent) of the investment. Valuation techniques should be applied consistently, though a change may be appropriate in certain circumstances. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Joint Venture

The District accounts for its interest in a joint venture with Central Valley Water Reclamation Facility with the equity method of accounting.

Budgetary Accounting

For management and control purposes, the District adopts and maintains a budget each year. Budgets are prepared on the accrual basis of accounting, with the exception of sale of assets and contributions from builders and subdividers not being budgeted.

Pension Plans

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Accumulated unpaid sick leave is accrued each year. Employees are paid for sick leave days accrued at retirement or termination at their rate of pay at that time. These accrued days can be used for sick leave at any time. Employees can carry over unused sick leave up to 75 days. Unused days above 75 days are converted at half their normal pay rate to either vacation days or are paid out as cash. The sick leave year end is December 31. Accrued leave payable at December 31, 2024 and 2023 was $817,371 and $703,469, respectively. The District allows employees to carry over up to 7 days of unused vacation hours.

Impact Fees

The District charges impact fees to new customers based on meter size, the number of laterals and/or the number of fixture units.

Net Position

The District's net position is classified as follows:

- *Net Investment in Capital Assets*
  This component of net position consists of the District's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted for Debt Service*
  This component of net position consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- *Unrestricted*
  This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

Property Taxes

Property tax rates are set in June of each year. The property taxes levied by the District are assessed and collected by Salt Lake County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30. The District's certified tax rate for 2024 was 0.000076.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets are stated at cost. Capital assets donated to the District are recorded at the estimated fair value at the date of donation. Contributed easements are not valued and therefore not included as capital assets. Normal maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Depreciation of property, plant, and equipment is calculated using the straight-line method over the following estimated useful lives:

	Years
Sewer and water systems	50
Buildings	30
Furniture and fixtures	8
Automotive equipment	5
Other equipment	3-8
Fence enclosures and landscaping	20
Water wells	25
Telemetering system	8
Wells mechanical	10

Investments in surface water resources represent investments in water stock and are stated at cost.

Bond Discounts and Bond Premiums

Bond discounts and premiums are deferred and amortized over the term of the related bonds. Bond discounts and premiums are presented as a reduction or addition to the face amount of bonds payable.

Water and Sewer Sales Revenue

Revenue from water and sewer service charges is recorded based on monthly usage at the stated retail rates. Water and sewer usage are measured by flow meters located throughout the system.

Deferred Outflows/Inflows of Resources

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

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

Subsequent Events

The District evaluated all events or transactions that occurred after December 31, 2024, through March 24, 2025, the date these financial statements were available to be issued.

NOTE 2 CASH & CASH EQUIVALENTS AND INVESTMENTS

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measure and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The District follows the requirements of the Utah Money Management Act (the Act) (Utah Code, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of the District's funds in a qualified depository. The Act defines qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and that has been certified by the State Commission of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

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

Statutes authorize the District to invest in negotiable or nonnegotiable deposits of qualified depositories; negotiable certificates of deposits must be equal to, or less than, 97% of the FDIC limit. The purchase price of the negotiable deposit must be equal to or less than par; repurchase and reverse repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

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

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees of the PTIF, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. As of December 31, 2024, and 2023, the District had funds of $2,001,274 and $1,041,504, respectively, with the PTIF. The entire balance had a weighted average maturity of 112 days. The PTIF pool has not been rated. There are no limitations or restrictions on withdrawal from the PTIF pool.

NOTE 2 CASH & CASH EQUIVALENTS AND INVESTMENTS (Continued)

Cash and cash equivalents consisted of the following amounts:

	2024	2023
Unrestricted:		
Cash on hand	$ 1,000	$ 1,000
Cash on deposit - demand	26,763,696	22,978,723
Utah Public Treasurer's Investment Fund	1,966,793	1,006,413
Total unrestricted cash and cash equivalents	28,731,489	23,986,136
Restricted:		
Debt Service Reserves - 2021 Series Bond		
Zions - Utah Public Treasurer's Investment Fund	34,481	35,091
Total restricted cash and cash equivalents	34,481	35,091
Total cash and cash equivalents	$ 28,765,970	$ 24,021,227

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 recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commission of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council (the Council). As of December 31, 2024, and 2023, the District's cash deposits exceeded National Credit Union Administration (NCUA) federally insured amounts by $26,201,119 and $22,452,213, respectively.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The District is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regular by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

NOTE 2 CASH & CASH EQUIVALENTS AND INVESTMENTS (Continued)

At December 31, 2024, the District had the following quality ratings:

Average Rating	Agency	CD	Corporate	Money Market Fund	Currency	PTIF	Totals
AAA	$ 399,498	$ -	$ -	$ 98,885	$ 1,354	$ -	$ 499,737
AA	240,034	-	-	-	-	-	240,034
AA-	-	1,297,467	757,754	-	-	-	2,055,221
A+	-	1,220,916	1,064,562	-	-	-	2,285,478
A	-	240,545	450,721	-	-	-	691,265
A-	-	241,179	-	-	-	-	241,179
BBB-	-	144,352	-	-	-	-	144,352
Unrated	100,373	5,139,496	1,445,228	-	-	2,005,004	8,690,101
Totals	$ 739,906	$ 8,283,955	$ 3,718,264	$ 98,885	$ 1,354	$ 2,005,004	$ 14,847,368

<u>Fair Value of Investments</u>

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

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

On December 31, 2024, the District had the following recurring fair value measurements.

Security Type Category	Level 1	Level 2	Level 3	Total
Marketable securities				
Agency	$ 739,906	$ -	$ -	$ 739,906
CD	-	8,283,955	-	8,283,955
Corporate	-	3,718,265	-	3,718,265
Currency	1,353	-	-	1,353
Money market fund	98,885	-	-	98,885
Total marketable securities	840,144	12,002,220	-	12,842,364
Public treasurer's investment fund	-	2,005,004	-	2,005,004
Totals	$ 840,144	$ 14,007,224	$ -	$ 14,847,368

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

NOTE 2 CASH & CASH EQUIVALENTS AND INVESTMENTS (Continued)

For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a "consensus price" or a weighted average price for each security. The District receives market prices for these securities from a variety of industry-standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, the District uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

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

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the December 31, 2024, fair value factor, as calculated by the Utah State Treasurer, to the District's average daily balance in the Fund; and,
- Donated Real Estate: recent appraisals of the real estate's value.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed-rate negotiable deposits, and fixed-rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury, obligations issued by U.S. government-sponsored enterprises, and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. Also, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years.

NOTE 2 CASH & CASH EQUIVALENTS AND INVESTMENTS (Continued)

As of December 31, 2024, the District's investments had the following maturities:

		Investment Maturities (in Years)		
Type of Investment	**Fair Value**	**Less than 1**	**1 - 5**	**More than 5**
Marketable securities				
Agency	$ 739,906	$ 490,217	$ 249,689	$ -
CD	8,283,955	1,289,789	6,994,166	-
Corporate	3,718,265	351,152	3,367,113	-
Currency	1,353	1,353	-	-
Money market fund	98,885	98,885	-	-
Total marketable securities	12,842,364	2,231,396	10,610,968	-
Public treasurer's investment fund	2,005,004	2,005,004	-	-
Totals	$ 14,847,368	$ 4,236,400	$ 10,610,968	$ -

NOTE 3 NET POSITION

Net position is restricted by provisions of the bond resolutions adopted by the District (Note 6) as follows:

Amounts restricted for Revenue Bond Debt Service

On February 25, 2021, the District issued Water and Sewer Revenue Bonds, Series 2021. At December 31, 2024, all bond proceeds had been spent, and the District had debt service reserves of $34,481 for 2024 and $35,091 for 2023.

Use of Restricted Assets

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

Restricted net position are as follows as of December 31:

	2024	**2023**
Debt service reserves	$ 34,481	$ 35,091
Total restricted net position	$ 34,481	$ 35,091

NOTE 4 LEASING ARRANGEMENTS

The District has land that is being leased to a telecommunications company for cell tower. The lease was entered into in 2001 and is currently estimated to terminate in 2046. The District reports a lease receivable and a deferred inflow of resources relating to leases of $1,195,422.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2024, and 2023 are as follows:

	December 31, 2023	Additions	Deletions	December 31, 2024
Capital assets not being depreciated:				
Land	$ 2,605,709	$ -	$ -	$ 2,605,709
Water rights	1,512,644	-	-	1,512,644
Total capital assets not being depreciated	4,118,353	-	-	4,118,353
Capital assets being depreciated:				
Buildings	5,163,194	612,017	-	5,775,211
Sewer systems	35,670,577	720,595	-	36,391,172
Water systems	65,226,089	1,377,995	-	66,604,084
Water wells	18,016,235	165,011	-	18,181,246
Meters and accessories	11,791,681	3,099,938	-	14,891,619
Equipment	5,258,688	971,780	(548,764)	5,681,704
Total capital assets being depreciated	141,126,464	6,947,336	(548,764)	147,525,036
Accumulated depreciation for:				
Buildings	(3,467,029)	(133,778)	-	(3,600,807)
Sewer systems	(13,510,839)	(675,615)	-	(14,186,454)
Water systems	(31,733,240)	(1,297,923)	-	(33,031,163)
Water wells	(10,210,567)	(640,828)	-	(10,851,395)
Meters and accessories	(8,055,869)	(422,691)	-	(8,478,560)
Equipment	(3,234,303)	(679,939)	180,945	(3,733,297)
Total accumulated depreciation	(70,211,847)	(3,850,774)	180,945	(73,881,676)
Total capital assets being depreciated, net	70,914,617	3,096,562	(367,819)	73,643,360
Capital assets, net	$ 75,032,970	$ 3,096,562	$ (367,819)	$ 77,761,713

	December 31, 2022	Additions	Deletions	December 31, 2023
Capital assets not being depreciated:				
Land	$ 2,605,709	$ -	$ -	$ 2,605,709
Water rights	1,512,644	-	-	1,512,644
Total capital assets not being depreciated	4,118,353	-	-	4,118,353
Capital assets being depreciated:				
Buildings	5,123,959	39,235	-	5,163,194
Sewer systems	31,371,447	4,299,130	-	35,670,577
Water systems	64,268,570	957,519	-	65,226,089
Water wells	17,628,646	387,589	-	18,016,235
Meters and accessories	8,236,079	3,555,602	-	11,791,681
Equipment	5,261,040	581,177	(583,529)	5,258,688
Total capital assets being depreciated	131,889,741	9,820,252	(583,529)	141,126,464
Accumulated depreciation for:				
Buildings	(3,338,583)	(128,446)	-	(3,467,029)
Sewer systems	(12,903,374)	(607,465)	-	(13,510,839)
Water systems	(30,467,034)	(1,266,206)	-	(31,733,240)
Water wells	(9,643,591)	(566,976)	-	(10,210,567)
Meters and accessories	(7,849,493)	(206,376)	-	(8,055,869)
Equipment	(3,089,982)	(487,359)	343,038	(3,234,303)
Total accumulated depreciation	(67,292,057)	(3,262,828)	343,038	(70,211,847)
Total capital assets being depreciated, net	64,597,684	6,557,424	(240,491)	70,914,617
Capital assets, net	$ 68,716,037	$ 6,557,424	$ (240,491)	$ 75,032,970

NOTE 6 CENTRAL VALLEY WATER RECLAMATION FACILITY

During 1978, the District entered into a joint venture with four other special districts and two cities. The joint venture was organized to construct and operate a regional sewage treatment facility, known as Central Valley Water Reclamation Facility (CVWRF), for the benefit of the seven members. Effective January 1, 2017, CVWRF implemented amendments to the interlocal agreement regarding ownership. The amendments define Post-2016 beneficial ownership and each member's undivided beneficial ownership interest in CVWRF as a percentage of the net value of all ownership categories of CVWRF as of the most recent annual audit report. The Post-2016 beneficial ownership and valuation of each member's undivided beneficial ownership interest will them be recomputed on an annual basis at the end of each calendar year as outlined in the interlocal agreement. The seven members and their related ownership interest, as amended, are listed below:

Member	December 31, 2024 Ownership		December 31, 2023 Ownership	
Cottonwood Improvement District	$ 29,241,716	15.86%	$ 27,598,267	16.14%
Mt. Olympus Improvement District	45,319,128	24.58%	41,534,194	24.29%
Granger-Hunter Improvement District	46,019,749	24.96%	42,030,074	24.58%
Kearns Improvement District	20,391,764	11.06%	18,843,426	11.02%
Murray City	14,233,672	7.72%	13,525,545	7.91%
South Salt Lake City	9,181,825	4.98%	8,686,443	5.08%
Talyorsville-Bennion Improvement District	19,986,141	10.84%	18,775,029	10.98%
Totals	$ 184,373,995	100.00%	$ 170,992,978	100.00%

CVWRF is administered by a joint administration board. Each member appoints one member to the board, and voting power is not related to ownership. Therefore, each member is equal to another for voting privileges. The joint venture is responsible for adopting a budget and financing its operations, subject to the approval by each of the seven members.

The District accounts for its investment in CVWRF using the equity method of accounting. Summarized financial information of CVWRF as of December 31, 2024, and 2023 and for the years then ended is as follows:

	2024	2023
Total assets	$ 607,176,372	$ 514,448,046
Net position:		
Net investment in capital assets	$ 146,265,877	$ 137,955,069
Restricted for debt service	33,023,395	24,752,197
Unrestricted	5,084,723	8,285,712
Total net position	$ 184,373,995	$ 170,992,978
Operating revenues	$ 25,749,066	$ 24,718,077
Change in net position	$ 13,381,017	$ 17,162,538

NOTE 6 CENTRAL VALLEY WATER RECLAMATION FACILITY (Continued)

	2024	2023
The District's interest in:		
Net position	$ 19,986,141	$ 18,775,029
Income (loss) from operations	$ (1,008,021)	$ (980,857)

Audited statements are available at Central Valley Water Reclamation Facility, 800 West Central Valley Road, Salt Lake City, Utah 84119.

The District incurred the following costs from the joint venture for the years ended December 31, 2024, and 2023:

	2024	2023
Operating costs	$ 4,135,664	$ 4,090,169
Project costs	703,953	792,738
Total	$ 4,839,617	$ 5,921,155

At December 31, 2023, and 2022, the District had balances due to CVWRF of $650,817 and $603,014, respectively.

NOTE 7 RETIREMENT PLANS

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The 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 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

NOTE 7 RETIREMENT PLANS (Continued)

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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.

Contribution rates as of December 31, 2024, are as follows:

As of December 31, 2024	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	0.70%	15.19%	0.00%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	16.97%	N/A
Tier 2 DC Only			
211 Local Government	N/A	5.19%	10.00%

NOTE 7 RETIREMENT PLANS (Continued)

Contribution rates as of December 31, 2023, are as follows:

As of December 31, 2023	Employee	Employer	Employer 401(k)
Contributory System			
111 Local Government Div - Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	17.97%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.19%	10.00%

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

For fiscal year ended December 31, 2024, and 2023, the employer and employee contributions to the Systems were as follows:

	2024		2023	
System	Employer Contributions	Employee Contributions	Employer Contributions	Employee Contributions
Noncontributory System	$ 399,857	N/A	$ 391,202	N/A
Tier 2 Public Employees System	166,725	3,448	138,311	-
Tier 2 DC Only System	9,809	N/A	10,077	N/A
Total Contributions	$ 576,391	$ 3,448	$ 539,590	$ -

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

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

At December 31, 2024, we reported a net pension asset of $0 and a net pension liability of $574,056. At December 31, 2023, we reported a net pension asset of $0 and a net pension liability of $393,058.

	(Measurement Date): December 31, 2023			December 31, 2022	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change (Decrease)
Noncontributory System	$ -	$ 508,988	0.2194325%	0.2068697%	0.0125628%
Tier 2 Public Employees System	$ -	$ 65,068	0.0334304%	0.0355791%	(0.0021487%)
Total	$ -	$ 574,056			

	(Measurement Date): December 31, 2022			December 31, 2021	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change (Decrease)
Noncontributory System	$ -	$ 354,316	0.2068697%	0.2062135%	0.0006562%
Tier 2 Public Employees System	$ -	$ 38,742	0.0355791%	0.0372976%	(0.0017185%)
Total	$ -	$ 393,058			

NOTE 7 RETIREMENT PLANS (Continued)

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2024, and 2023 we recognized pension expense of $441,056 and $252,546, respectively.

At December 31, 2024, and 2023 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 377,240	$ 1,066
Changes in assumptions	189,982	51
Net difference between projected and actual earnings on pension plan investments	172,866	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,103	5,244
Contributions subsequent to the measurement date	578,390	-
	$ 1,329,581	$ 6,361

December 31, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 133,265	$ 1,537
Changes in assumptions	70,645	1,514
Net difference between projected and actual earnings on pension plan investments	249,329	-
Changes in proportion and differences between contributions and proportionate share of contributions	17,178	2,002
Contributions subsequent to the measurement date	539,590	-
	$ 1,010,007	$ 5,053

$578,390 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

NOTE 7 RETIREMENT PLANS (Continued)

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ 228,140
2025	217,789
2026	326,347
2027	(64,436)
2028	6,857
Thereafter	30,133

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

For the year ended December 31, 2024, we recognized pension expense of $355,907.

At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 356,399	$ -
Changes in assumptions	152,737	-
Net difference between projected and actual earnings on pension plan investments	165,518	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,173	3,428
Contributions subsequent to the measurement date	399,857	-
	$ 1,075,684	$ 3,428

$399,857 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

NOTE 7 RETIREMENT PLANS (Continued)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ 221,837
2025	208,894
2026	311,186
2027	(69,518)
2028	-
Thereafter	-

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

For the year ended December 31, 2024, we recognized pension expense of $ 85,148.

At December 31, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 20,841	$ 1,066
Changes in assumptions	37,245	51
Net difference between projected and actual earnings on pension plan investments	7,348	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,930	1,816
Contributions subsequent to the measurement date	178,533	-
	$ 253,897	$ 2,933

$178,533 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

NOTE 7 RETIREMENT PLANS (Continued)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ 6,303
2025	8,895
2026	15,161
2027	5,082
2028	6,857
Thereafter	30,133

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.5 – 9.5%, average, including inflation.
Investment Rate of Return	6.85%, net of pension plan investment expense, including inflation.

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

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

NOTE 7 RETIREMENT PLANS (Continued)

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	6.87%	2.40%
Debt securities	20.00%	1.54%	0.31%
Real assets	18.00%	5.43%	0.98%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	3.86%	0.58%
Cash and cash equivalents	0.00%	0.24%	0.00%
Totals	100.00%		5.45%
Inflation			2.50%
Expected arithmetic nominal return			7.95%

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

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00 percentage point lower (5.85 percent) or 1.00 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 2,641,621	$ 508,988	$ (1,276,947)
Tier 2 Public Employees System	223,565	65,068	(57,846)
Total	$ 2,865,186	$ 574,056	$ (1,334,793)

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

NOTE 7 RETIREMENT PLANS (Continued)

Defined Contribution Savings Plans

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

The District participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended December 31st were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	$ 113,533	$ 57,953	$ 45,600
Employee Contributions	92,080	68,437	32,746
457 Plan			
Employer Contributions	$ -	$ 5,382	$ 8,469
Employee Contributions	9,438	4,788	1,760
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 23,080	$ 28,630	$ 19,380

NOTE 8 TERMINATION BENEFITS

Retirement Benefit – Purchase of Future Service Years

The District participates in a retirement benefit program where they share in the purchase of future service years upon retirement for employees who meet the retirement eligibility requirements of the Utah Retirement System with no actuarial reduction. The District will purchase between 65% and 95% of future service years based on an employee's years of service at retirement, determined from a table found in the District's Personnel Policy Handbook (Handbook). Based on the calculations obtained using the Utah Retirement System's Service Purchase Estimate Calculator, the specified employer share from the table in the Handbook and the likelihood that an employee will meet the retirement eligibility requirements of the Utah Retirement System with no actuarial reduction, as estimated by management, the District has estimated the retirement buyout liability as of December 31, 2024, and 2023 to be $3,411,828 and $3,229,988, respectively.

NOTE 8 TERMINATION BENEFITS (Continued)

Early Retirement Incentive Pay Policy

For employees hired on or before December 31, 2019, the District will pay employees with over 20 years of service to the District an early retirement incentive given that the employee 1) gives the District at least 6 months-notice of retirement; or, 2) have suffered a catastrophic illness or injury preventing them from returning to work; or, 3) the General Manager, in his sole discretion for either health or other significant reasons, decides less than 6 months-notice could be given. Employees electing to retire early under this policy will receive up to a full year's salary paid on the next pay day following retirement according to the following scale:

- Completed 20 years of full time service but less than 21, 50% of salary
- Completed 21 years of full time service but less than 22, 60% of salary
- Completed 22 years of full time service but less than 23, 70% of salary
- Completed 23 years of full time service but less than 24, 80% of salary
- Completed 24 years of full time service but less than 25, 90% of salary
- Completed 25 years or more of full time service, 100% of salary

The District has estimated the early retirement incentive liability for December 31, 2024, and 2022 to be $1,762,760 and $1,665,797, respectively.

NOTE 9 LONG-TERM LIABILITIES

Long-term liability activity as of and for the years ended December 31, 2024, and 2023 are as follows:

	December 31, 2023	Additions	Deletions	December 31, 2024	Due Within One Year
Accrued termination benefits	$ 4,895,785	$ 418,052	$ (139,249)	$ 5,174,588	$ 609,906
Accrued compensated absences	703,469	113,902 *	-	817,371	144,649
Water and sewer revenue bond, series 2021	21,541,000	-	(1,149,000)	20,392,000	1,159,000
Net pension liability	393,058	180,998	-	574,056	-
Total	$ 27,533,312	$ 712,952	$ (1,288,249)	$ 26,958,015	$ 1,913,555

** shown as a net increase in compensated absences in accordance with GASBS No. 101.*

	December 31, 2022	Additions	Deletions	December 31, 2023	Due Within One Year
Accrued termination benefits	$ 4,536,882	$ 475,748	$ (116,845)	$ 4,895,785	$ 139,249
Accrued compensated absences	617,941	85,528 *	-	703,469	136,668
Water and sewer revenue bond, series 2021	22,680,000	-	(1,139,000)	21,541,000	1,149,000
Net pension liability	-	393,058	-	393,058	-
Total	$ 27,834,823	$ 954,334	$ (1,255,845)	$ 27,533,312	$ 1,424,917

** shown as a net increase in compensated absences in accordance with GASBS No. 101.*

NOTE 9 LONG-TERM LIABILITIES (Continued)

Water and Sewer Revenue Bonds, Series 2021 – Direct Borrowing

During 2021, the District issued Water and Sewer Revenue Bonds, Series 2021 to finance the costs related to the Series 2021 Project, which includes: 1) replace existing lift station with a siphon and upsizing mainline sewer pipe, 2) install, replace and upsize water lines and hydrants, 2) expand shops; 4) install fuel storage tanks, and 5) install lining in existing sewer lines. These bonds carry interest that vary from 0.75% to 2.45%. Principal payments due each year on December 15, beginning in 2021. Interest payments are due each June 15 and December 15. The bonds mature December 15, 2040, as follows:

Year	Principal	Interest	Total
2025	$ 1,159,000	$ 315,162	$ 1,474,162
2026	1,170,000	304,152	1,474,152
2027	1,182,000	292,452	1,474,452
2028	1,194,000	280,040	1,474,040
2029	1,207,000	266,907	1,473,907
2030 - 2034	6,270,000	1,101,159	7,371,159
2035 - 2039	6,771,000	600,261	7,371,261
2040	1,439,000	35,255	1,474,255
	$ 20,392,000	$ 3,195,388	$ 23,587,388

The District has pledged the net revenues of the District to pay the debt service for these bonds.

Significant events of default in the bond agreement include failure to pay principal and interest amounts when due, failure to observe covenants, agreements, or other conditions. If an event of default occurs, the interest rate on the bonds could bear interest at an annual rate of 18% until resolved.

NOTE 10 BOARD DESIGNATED RESERVES

The Board has designated $8,500,000 for emergencies and unforeseeable expenses, $4,000,000 for retirement benefits. Water sources continue to undergo more restrictions and lower maximum contaminant levels (MCL's) every year, which may result in additional levels of water treatment. Also, much of the District's infrastructure reservoirs, water wells, water lines, and sewer lines is reaching their projected life expectancy. This infrastructure will need to be replaced as required.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance, a schedule of which is included at page 42.

During the years ended December 31, 2024, and 2023, the District did not reduce insurance coverages. No settlements have exceeded coverage levels in place during the previous three years.

NOTE 12 CHANGE IN ACCOUNTING PRINCIPLES

For 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. This Statement creates a unified model for reporting, and amends certain previously required disclosures. As a result of implementing this standard, the District recalculated its compensated absences balance and determined no significant change, therefore no adjustment to previous issued financial statements is necessary.

REQUIRED SUPPLEMENTARY INFORMATION

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS

Measurement Date December 31,	Proportion of the net pension liability/(asset)	Proportionate share of the net pension liability/(asset)	Covered Payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability/(asset)
Noncontributory Retirement System					
2023	0.2194325%	$ 508,988	$ 2,176,974	23.38%	96.90%
2022	0.2068697%	534,316	1,931,578	27.66%	97.50%
2021	0.2062135%	(1,181,007)	1,825,516	(64.69%)	108.70%
2020	0.2030078%	104,131	1,795,315	5.80%	99.20%
2019	0.1930583%	727,611	1,700,908	42.78%	93.70%
2018	0.2049192%	1,508,968	1,776,660	84.93%	87.00%
2017	0.2171544%	951,419	1,905,210	49.94%	91.90%
2016	0.2091700%	1,343,127	1,865,456	72.00%	87.30%
2015	0.2083086%	1,178,711	1,810,177	65.12%	87.80%
2014	0.2054688%	892,194	1,773,905	50.30%	90.20%
Tier 2 Public Employees Retirement System					
2023	0.0334304%	$ 65,068	$ 864,292	7.53%	89.58%
2022	0.0355791%	38,742	777,685	4.98%	92.30%
2021	0.0372976%	(15,785)	692,659	(2.28%)	103.80%
2020	0.0386360%	5,557	917,612	0.61%	98.30%
2019	0.0366463%	8,242	509,458	1.62%	96.50%
2018	0.0395628%	16,944	461,822	3.67%	90.80%
2017	0.0315080%	2,778	308,247	0.90%	97.40%
2016	0.0231123%	2,578	189,536	1.36%	95.10%
2015	0.0195960%	(43)	126,661	(0.03%)	100.20%
2014	0.0189049%	(573)	92,818	(0.62%)	103.50%

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS

	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory Retirement System					
2024	$ 399,857	$ 399,857	$ -	$ 2,291,938	17.45%
2023	391,202	391,202	-	2,176,974	17.97%
2022	351,889	351,889	-	1,931,578	18.22%
2021	337,173	337,173	-	1,825,516	18.47%
2020	331,595	331,595	-	1,795,315	18.47%
2019	314,157	314,157	-	1,906,154	16.48%
2018	328,900	328,900	-	2,146,824	15.32%
2017	361,174	361,174	-	1,955,463	18.47%
2016	344,550	344,550	-	1,913,203	18.01%
2015	334,340	334,340	-	1,810,177	18.47%
Tier 2 Public Employees Retirement System**					
2024	$ 168,725	$ 168,725	$ -	$ 1,081,762	15.60%
2023	138,311	138,311	-	865,026	15.99%
2022	125,081	125,081	-	779,761	16.04%
2021	110,390	110,390	-	692,659	15.94%
2020	97,171	97,171	-	617,612	15.73%
2019	78,862	78,862	-	505,541	15.60%
2018	70,834	70,834	-	467,388	15.16%
2017	46,272	46,272	-	308,247	15.01%
2016	28,261	28,261	-	189,536	14.91%
2015	18,895	18,895	-	126,611	14.92%
Tier 2 Public Employees DC Only System**					
2024	$ 9,809	$ 9,809	$ -	$ 172,325	5.69%
2023	10,077	10,077	-	162,790	6.19%
2022	6,337	6,337	-	99,134	6.39%
2021	5,093	5,093	-	76,128	6.69%
2020	344	344	-	5,142	6.69%
2019	131	131	-	1,958	6.69%
2018	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
2015	-	-	-	-	0.00%

*** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.*

NOTE 1 CHANGES IN ASSUMPTION

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

SUPPLEMENTAL INFORMATION

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
SCHEDULE OF BUDGET TO ACTUAL COMPARISON
For the Year Ended December 31, 2024

	Budget	Actual	Variance
Revenues:			
Water sales	$ 11,203,000	$ 12,496,131	$ 1,293,131
Sewer service	11,762,000	11,890,847	128,847
Property taxes	495,594	478,165	(17,429)
Impact fees	133,700	841,369	707,669
Interest income	2,413,500	2,012,047	(401,453)
Capital contributions from builders and subdividers*	-	1,517,900	1,517,900
Gain on disposal of capital assets*	-	83,480	83,480
Other	200,000	209,626	9,626
Total revenues	26,207,794	29,529,565	3,321,771
Expenses:			
Depreciation and amortization	3,420,000	3,850,774	(430,774)
Water purchases	2,152,000	2,058,979	93,021
Salaries and wages	3,517,400	3,507,690	9,710
Employee benefits	2,374,700	2,250,961	123,739
Central Valley Water Reclamation Facility expenses	5,210,500	4,135,664	1,074,836
Utilities	834,000	786,471	47,529
Net loss (gain) in equity of Central Valley Water Reclamation Facility	1,500,000	(507,159)	2,007,159
Interest expense	327,000	325,079	1,921
System maintenance and landscaping	985,800	858,974	126,826
Office expenses	1,015,000	837,914	177,086
Insurance	267,000	268,174	(1,174)
Professional fees	100,400	68,245	32,155
Gas and oil	136,000	97,690	38,310
Miscellaneous	424,300	3,693	420,607
Total expenses	22,264,100	18,543,149	3,720,951
Excess revenues over expenses	$ 3,943,694	$ 10,986,416	$ (399,180)
Capital Projects	$ 25,070,700	$ 5,682,088	$ 19,388,612
Debt Service - Principal	$ 1,149,000	$ 1,149,000	$ -

***Note:** These items do not have a corresponding budget figure. They are included above in order to balance the "Excess revenues over expenses" in the "Actual" column to the Change in Net Position as shown on the Statements of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2024.

TAYLORSVILLE-BENNION IMPROVEMENT DISTRICT
SCHEDULE OF INSURANCE COVERAGE
For the Year Ended December 31, 2024

Carrier	Policy Number	Insurance Coverage	Amount	Term
Philadelphia Indemnity Insurance Co.	PHPK2639087	Public Official Bond	$ 1,000,000	1/1/2024
		Commercial Package:		
		Building	11,528,000	
		Equipment	9,384,000	
		Contents	655,000	
		Data Processing Equipment	482,000	
		Inland Marine	384,840	
		General Liability:		
		Each Occurrence	1,000,000	
		Damage to Premises Rented to You	1,000,000	
		Medical expense	10,000	
		Employee Benefits Liability	1,000,000	
		Employment Practices Liability Per Claim	1,000,000	
		Commercial Auto:		
		Liability	1,000,000	
		Uninsured Motorists	1,000,000	
		Underinsured Motorists	1,000,000	
Travelers	107187262	Crime:		1/1/2024
		Employee Dishonesty	1,000,000	
		Forgery or Alteration	1,000,000	
		On premises	1,000,000	
		In Transit	1,000,000	
		Money Orders & Counterfeit Money	1,000,000	
		Computer Fraud	1,000,000	
		Electronic Data Restoration Expense	1,000,000	
		Funds Transfer Fraud	1,000,000	
		Claim expense	5,000	
Axis	ELF643097-24	Special Property (including Earthquake and Flood)	10,000,000	1/1/2024
Philadelphia Indemnity Insurance Co.	PHUB894841	Commercial Excess Liability 1	10,000,000	1/1/2024
Markel	MKLM5EUE101914	Commercial Excess Liability 2	10,000,000	1/1/2024
Workers Compensation Fund	1554371	Workers Compensation	1,000,000	1/1/2024

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*

K&C
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

To the Chairman and Board of Trustees
Taylorsville-Bennion Improvement 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 Taylorsville-Bennion Improvement District (the District), as of and for the years ended December 31, 2024, and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
March 24, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

To the Chairman and Board of Trustees
Taylorsville-Bennion Improvement District

Report on Compliance

We have audited Taylorsville-Bennion Improvement District's (the District) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the State Auditor for the year ended December 31, 2024.

State compliance requirements were tested for the year ended December 31, 2024, in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Governmental Fees
Cash Management
Tax Levy Revenue Recognition
Utah Retirement Systems

Opinion on Compliance

In our opinion, Taylorsville Bennion Improvement District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2024.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of 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

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

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

Our 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 and compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
March 24, 2025