



BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING

1777 N Meadowlark Dr, Apple Valley
Wednesday, April 16, 2025 at 6:30 PM

AGENDA

Notice is given that a meeting of the Water District of the Town of Apple Valley will be held on **Wednesday, April 16, 2025**, commencing at **6:30 PM** or shortly before or thereafter at **1777 N Meadowlark Dr, Apple Valley**.

Chairman | Michael Farrar

Board Members | Kevin Sair | Annie Spendlove | Scott Taylor | Richard Palmer

Please be advised that the meeting will be held electronically and broadcast via Zoom. Persons allowed to comment during the meeting may do so via Zoom. Login to the meeting by visiting:

<https://us02web.zoom.us/j/82661513795>

if the meeting requests a password use 1234

To call into meeting, dial (253) 215 8782 and use Meeting ID 8266151 3795

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

DECLARATION OF CONFLICTS OF INTEREST

CHAIR REPORT

DISCUSSION AND ACTION

- [1.](#) Engagement Letter to reflect the Apple Valley and Big Plains Component Unit Audit for 2024.

CONSENT AGENDA

The Consent Portion of the Agenda is approved by one (1) non-debatable motion. If any Board Member wishes to remove an item from the Consent Portion of the agenda, that item becomes the first order of business on the Regular Agenda.

- [2.](#) FY2024 Audited Financial Report and Certification for Apple Valley Town and Big Plains Water SSD.
- [3.](#) February and March 2025 Water Usage Comparison.
- [4.](#) Disbursement Listing for February and March 2025.
- [5.](#) Budget Report for Fiscal Year 2025 through February and March 2025.
- [6.](#) Minutes: March 12, 2025.

REQUEST FOR A CLOSED SESSION

ADJOURNMENT

CERTIFICATE OF POSTING: I, Jenna Vizcardo, as duly appointed Recorder for the Town of Apple Valley, hereby certify that this Agenda was posted at the Apple Valley Town Hall, the Utah Public Meeting Notice website <http://pmn.utah.gov>, and the Town Website www.applevalleyut.gov.

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL COMMUNITY EVENTS AND MEETINGS

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the Town at 435-877-1190 at least three business days in advance.



December 3, 2024

Honorable Mayor Michael L Farrar
Town of Apple Valley
1777 North Meadowlark Drive
Apple Valley, UT 84737

The following represents our understanding of the services we will provide to the Town of Apple Valley including its component unit, Big Plains Water & Sewer SSD (the Town).

You have requested that we audit the governmental, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Apple Valley including its component unit, Big Plains Water & Sewer SSD, as of June 30, 2024, and for the year then ended and the related notes, which collectively comprise the Town's basic financial statement. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI) such as management's discussion and analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the basic financial statements:

- 1) Bond Disclosures

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements. As part of an audit in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 controls.
- Obtain an understanding of the system of internal control 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with *Government Auditing Standards*, and/or any state or regulatory audit requirements.

Although we are currently in the planning stage of our audit, we have identified the following significant risks during our audit to date that require special audit consideration:

1. Management override of controls – a risk that is present in most audit engagements.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentiality agreements with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.



Compliance with Laws and Regulations

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Town's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b. For the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting, and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.



With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Reporting

We will issue a written report upon completion of our audit of the Town's basic financial statements. Our report will be addressed to the Mayor of the Town. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing of internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we

cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in approximately November 2024 and to issue our report no later than January 31, 2024.

R. McKay Hall, CPA is the engagement partner for the audit services specified in this letter. His responsibilities include supervising HintonBurdick, PLLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our price estimate for the financial audit, including out-of-pocket costs (such as report reproduction, postage, travel, etc.), will not exceed \$29,000.

The above prices are based on anticipated cooperation from your personnel, timely receipt of information, and the assumption that unexpected circumstances will not be encountered during the audit.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If your personnel are unavailable to provide assistance in a timely manner, if your staff are unavailable during our scheduled fieldwork dates or requested information has not been prepared, it substantially increases the work we have to do to complete the engagement within the established deadlines. The following circumstances will result in additional fees:

- Delivery of the trial balance less than a week before the established fieldwork dates will result in a minimum increase in fees of 10% over our original fee estimate.
- New versions of the trial balance or more than 10 required audit adjustments will result in a minimum increase in fees of 10% over our original fee estimate.
- If the entity is unable to provide requested information before the final day of scheduled fieldwork or a mutually agreed upon date, inconveniences could create additional fees of 10% over our original fee estimate.

Fees requested or required for additional accounting, consultation and non-audit services beyond the above listed circumstances will be billed in addition to the above fees and will be dependent on the level of service provided. If our fees for these additional services will be significantly more than in prior years, we will discuss the situation with you before we proceed.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to

compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

Interim billings may be submitted as work progresses and expenses are incurred. In the event any statement or invoice rendered by us to you is not paid within thirty (30) days of the date of the invoice, a late charge shall be accrued on the unpaid balance at the rate of 1.5 percent per month until paid. If billings are not paid within thirty (30) days of the invoice date, at our election, we may stop all work until your account is brought current or we may withdraw from this engagement. You acknowledge and agree that we are not required to continue work in the event of your failure to pay on a timely basis for services rendered as required by this engagement letter. You further acknowledge and agree that in the event we stop work or withdraw from this engagement we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Our liability as auditors shall be limited to the period covered by our audit and shall not extend to periods for which we are not engaged as auditors.

It is our policy to keep work papers related to this engagement for seven (7) years. Upon the expiration of the seven (7) year period, you agree that we shall be free to destroy our work papers. When records are returned to you, it is your responsibility to retain and protect your records for possible future uses, including potential examination by governmental or regulatory agencies.

In the event of any dispute, claim, question, or disagreement arising from or relating to this Agreement or the breach thereof, the parties hereto shall use their best efforts to settle the dispute, claim, question, or disagreement. To this effect, they shall consult and negotiate with each other in good faith and recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both parties. If the dispute cannot be settled through direct discussions, the parties agree to endeavor first to settle the dispute in an amicable manner by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before resorting to other legal remedies. If the parties are unable to resolve the dispute through mediation within sixty (60) days from the date notice is first given, then they may proceed to resolve the matter by arbitration. Such arbitration shall be binding and final.

Any dispute over fees will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. In agreeing to arbitration both parties acknowledge that, in the event of a dispute, each party is giving up the right to have the dispute decided in a court of law before a judge or jury and instead are accepting the use of arbitration for resolution. Costs of any mediation proceeding shall be shared equally by all parties. The prevailing party in the arbitration shall be entitled to an award of reasonable attorney's fees and costs incurred in connection with the application of the dispute in an amount to be determined by the arbitrator.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to Board and Management the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of HintonBurdick, PLLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators and federal agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of HintonBurdick, PLLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, a copy of our latest external peer review report of our firm is available on our website for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

HintonBurdick, PLLC

RESPONSE:

This letter correctly sets forth the understanding of the Town:

Management Signature (required):



Name and Title:

Michael Farrar, Mayor



Governance Signature (optional): _____

Name and Title: _____



**OFFICE OF THE
STATE AUDITOR****Town of Apple Valley**

Under penalty of perjury, I, Michael Farrar and I, Kevin Sair, certify that the annual financial report of Town of Apple Valley for the year ended June 30, 2024 fairly presents in all material respects the financial condition and results of operation of Town of Apple Valley

Signature: _____

Chief Administrative Officer

Signature: _____

Chief Financial Officer

Notes:

- a. This certification is to be submitted with the annual financial report to the Office of the Utah State Auditor.
- b. *Utah Code* 11-50-202 designates the **chief administrative officer** as the individual appointed as the chief administrative officer of the political subdivision in accordance with statute; or if a chief administrative officer is not appointed in accordance with statute, the individual designated as the chief administrative officer by the governing body of the political subdivision. In designating a chief administrative officer, the governing body shall designate the individual who holds a managerial or similar position to perform administrative duties or functions for the political subdivision.
- c. *Utah Code* 11-50-202 designates the **chief financial officer** as the individual appointed as the chief financial officer of the political subdivision in accordance with statute; or if a chief financial officer is not appointed in accordance with statute, the individual designated as the chief financial officer by the governing body of the political subdivision. In designating a chief financial officer, the governing body shall designate the individual who has primary responsibility for preparing the annual financial report.

Town of Apple Valley
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2024

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Town of Apple Valley
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June 30, 2024

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HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report

Town Council
Town of Apple Valley, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Apple Valley, Utah and the Big Plains Water Special Service District (aggregately the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

The Town's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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



assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Town's disclosures required by bond covenant but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

HintonBurdick, PLLC

March 31, 2025
St. George, UT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of Town of Apple Valley (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of financial activities of the Town for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

- *Total net position for the Town as a whole increased by \$220,952
- *Total unrestricted net position for the Town as a whole increased by \$408,286
- *Total net position for governmental activities increased by \$248,498
- *Total net position for business-type activities decreased by \$27,545

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of Town of Apple Valley. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the Town available to cover any remaining costs of the functions or programs.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains one major governmental fund, the general fund.

The Town adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The Town maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses one enterprise fund to account for the operations of the water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the Town.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town.

Town of Apple Valley
Management's Discussion and Analysis
June 30, 2024

Item 2.

FINANCIAL ANALYSIS

Town of Apple Valley's Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 1,574,433	1,247,314	312,807	380,127	1,887,239	1,627,441
Net capital assets	1,810,170	2,005,117	6,789,119	6,932,961	8,599,289	8,938,078
Deferred outflows of resources	27,464	21,820	6,839	14,407	34,303	36,227
Total assets and deferred outflows	3,412,067	3,274,251	7,108,764	7,327,495	10,520,831	10,601,747
Long-term debt outstanding	1,091,000	1,126,000	4,388,928	4,531,358	5,479,928	5,657,358
Other liabilities	82,747	156,375	31,497	80,043	114,244	236,418
Deferred inflows of resources	2,135	4,188	367	577	2,502	4,765
Total liabilities and deferred inflows	1,175,882	1,286,563	4,420,792	4,611,978	5,596,674	5,898,541
Net position:						
Net investment in capital assets	719,170	879,117	2,400,191	2,401,603	3,119,361	3,280,720
Restricted	321,586	347,247	301,502	301,816	623,088	649,063
Unrestricted	1,195,428	761,324	(13,721)	12,098	1,181,708	773,422
Total net position	\$ 2,236,185	1,987,688	2,687,972	2,715,517	4,924,157	4,703,205

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$4,924,157, an increase of \$220,952 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year are \$1,181,708 which represents an increase of \$408,286 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

Town of Apple Valley
Management's Discussion and Analysis
June 30, 2024

Item 2.

Town of Apple Valley's Change in Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Program revenues:						
Charges for services	\$ 289,076	219,765	425,963	510,154	715,039	729,919
Operating grants	117,775	108,984	45,420	207,974	163,196	316,958
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	171,600	141,681	-	-	171,600	141,681
Sales tax	201,393	201,097	-	-	201,393	201,097
Other taxes	101,386	104,448	-	-	101,386	104,448
Impact fees	252,418	71,172	68,576	34,894	320,994	106,066
Other revenues	68,381	50,154	12,004	8,087	80,384	58,241
Total revenues	1,202,029	897,300	551,963	761,108	1,753,992	1,658,409
Expenses:						
General government	366,664	374,590	-	-	366,664	374,590
Public safety	183,079	84,201	-	-	183,079	84,201
Streets and public works	358,252	282,817	-	-	358,252	282,817
Culture and recreation	17,927	17,402	-	-	17,927	17,402
Interest on long-term debt	27,609	18,528	-	-	27,609	18,528
Big Plains Water SSD	-	-	579,508	545,322	579,508	545,322
Total expenses	953,531	777,538	579,508	545,322	1,533,040	1,322,859
Change in net position	\$ 248,498	119,761	(27,545)	215,787	220,952	335,549

For the Town as a whole, total revenues increased by \$95,583 compared to the previous year, while total expenses increased by \$210,180. The total net change of \$220,952 is, in private sector terms, the net income for the year which is \$114,597 less than the previous year.

Governmental activities revenues of \$1,202,029 is an increase of \$304,729 from the previous year. This is primarily due to an increase in impact fees during the year. Governmental activities expenses of \$953,531 is an increase of \$175,993 from the previous year. While general government expenses decreased during the year, each of the other departments' expenses increased.

Business-type activities revenue of \$551,963 is a decrease of \$209,145 from the previous year. Service revenues decreased by \$84,191 and operating grant revenues decreased by \$162,554. Business-type activities expenses of \$579,508 is an increase of \$34,186 from the previous year. This is due to an overall increase in operation expenses.

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$1,407,764 reflects a increase of \$436,022 from the previous year. Total revenues increased by \$299,970. Tax revenues, including property taxes and sales taxes, increased by \$22,395. Intergovernmental revenue increased by \$8,792. Revenues from charges for services increased by \$56,996. Revenues from licenses and permits increased by \$15,057. Impact fee revenues increased by \$181,246. All other revenues increased \$15,485.

Total expenditures increased by \$35,741. General government expenditures decreased by \$37,421, public safety expenditures increased by \$47,247, streets and public works expenditures increased by \$48,559, and parks and recreation expenditures decreased by \$1,923. Debt service expenditures decreased by \$20,720.

Fund balance restricted, committed and assigned amounted to \$321,586, \$284,516, and \$20,860, respectively. The unassigned fund balance amounts to \$780,801.

Net operating loss for the year was \$34,312, compared to the previous year income of \$74,166. The change in net position (net loss) was \$27,545, which was \$243,3321 less than the prior year's change in net position. Net investment in capital assets was \$2,400,191. Restrictions for debt service were \$301,052. Unrestricted net position amounts to a deficit of \$13,271.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$1,416,464. This was also the final budgeted amount. Actual revenues, excluding transfers in (if any), amounted to \$1,197,270.

Expenditures for the current year, excluding transfers out and budgeted increases in fund balance, were originally budgeted in the amount of \$799,775. This amount remained unchanged in the final budget of \$799,775. Actual expenditures amounted to \$761,248.

Transfers out were originally budgeted for the amount of \$265,000, which was also the final budgeted amount. Actual transfers out were made in the amount of \$0.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Town of Apple Valley's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Current Year	Total Previous Year
	Current Year	Previous Year	Current Year	Previous Year		
Capital Assets:						
Land and water rights	\$ 439,556	439,556	2,017,990	2,017,990	2,457,546	2,457,546
Buildings	203,871	203,871	-	-	203,871	203,871
Improvements	2,366,898	2,366,898	-	-	2,366,898	2,366,898
Machinery and equipment	543,147	543,147	56,914	42,132	600,061	585,279
Infrastructure	-	-	5,997,409	5,967,686	5,997,409	5,967,686
Construction in progress	22,076	4,244	154	34,053	22,230	38,297
Total capital assets	3,575,548	3,557,717	8,072,467	8,061,861	11,648,015	11,619,578
Less accumulated depreciation	(1,765,378)	(1,552,600)	(1,283,349)	(1,128,900)	(3,048,727)	(2,681,500)
Net capital assets	\$ 1,810,170	2,005,117	6,789,118	6,932,961	8,599,288	8,938,078

The total amount of capital assets, net of depreciation, of \$8,599,288 is a decrease of \$338,789 from the previous year.

Governmental activities capital assets, net of depreciation, of \$1,810,170 is a decrease of \$194,946 from the previous year.

Business-type activities capital assets, net of depreciation, of \$6,789,118 is a decrease of \$143,843 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

Town of Apple Valley
Management's Discussion and Analysis
June 30, 2024

Item 2.

Town of Apple Valley's Outstanding Debt

	Current Year	Previous Year
Governmental activities:		
2015 Gateway Bond	\$ 1,091,000	1,126,000
Total governmental	\$ 1,091,000	1,126,000
Business-type activities:		
2018 Water Bond Series A	\$ 64,000	68,000
2012 Water Project	1,690,000	1,775,000
2018 Water Bond Series B	295,000	306,000
2015 Water Bond 02	266,248	270,728
2015 Water Bond 01	2,073,680	2,111,630
Total governmental	\$ 4,388,928	4,531,358
Total outstanding debt	\$ 5,479,928	5,657,358

Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the Town are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Town of Apple Valley's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Town of Apple Valley, 1777 North Meadowlark Drive, Apple Valley, UT 84737.

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BASIC FINANCIAL STATEMENTS

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Town of Apple Valley
STATEMENT OF NET POSITION
June 30, 2024

Item 2.

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 516,260	-	516,260
Accounts receivable	251,722	570	252,293
Other assets	20	-	20
Interfund balances	(81,041)	81,041	-
Total current assets	<u>686,962</u>	<u>81,611</u>	<u>768,572</u>
Non-current assets:			
Restricted cash and cash equivalents	887,471	231,196	1,118,667
Capital assets:			
Not being depreciated	461,632	2,018,144	2,479,775
Net of accumulated depreciation	1,348,539	4,770,975	6,119,514
Total non-current assets	<u>2,697,641</u>	<u>7,020,314</u>	<u>9,717,956</u>
Total assets	<u>3,384,603</u>	<u>7,101,925</u>	<u>10,486,528</u>
Deferred outflows of resources - pensions	27,464	6,839	34,303
Total assets and deferred outflows of resources	<u>\$ 3,412,067</u>	<u>7,108,764</u>	<u>10,520,831</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 16,889	4,883	21,772
Accrued liabilities	11,826	2,459	14,285
Customer security deposits	15,448	15,448	30,896
Compensated absences	5,002	4,508	9,510
Accrued interest payable	20,465	839	21,304
Long-term debt due within one year	36,000	147,697	183,697
Total current liabilities	<u>105,630</u>	<u>175,834</u>	<u>281,464</u>
Non-current liabilities:			
Long-term debt due after one year	1,055,000	4,241,231	5,296,231
Net pension liability	13,117	3,360	16,477
Total non-current liabilities	<u>1,068,117</u>	<u>4,244,591</u>	<u>5,312,708</u>
Total liabilities	<u>1,173,747</u>	<u>4,420,425</u>	<u>5,594,172</u>
Deferred inflows of resources - pensions	2,135	367	2,502
Total liabilities and deferred inflows of resources	<u>1,175,882</u>	<u>4,420,792</u>	<u>5,596,674</u>
NET POSITION:			
Net investment in capital assets	719,170	2,400,191	3,119,361
Restricted	321,586	301,502	623,088
Unrestricted	1,195,428	(13,721)	1,181,708
Total net position	<u>2,236,185</u>	<u>2,687,972</u>	<u>4,924,157</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,412,067</u>	<u>7,108,764</u>	<u>10,520,831</u>

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

Town of Apple Valley
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Item 2.

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
<u>FUNCTIONS/PROGRAMS:</u>					
Primary government:					
Governmental activities:					
General government	\$ 366,664	105,628	-	-	(261,035)
Public safety	183,079	765	843	-	(181,471)
Streets and public works	358,252	182,682	116,932	-	(58,638)
Parks, recreation and public property	17,927	-	-	-	(17,927)
Interest on long-term debt	27,609	-	-	-	(27,609)
Total governmental activities	953,531	289,076	117,775	-	(546,680)
Business-type activities:					
Big Plains Water SSD	579,508	425,963	45,420	-	(108,125)
Total business-type activities	579,508	425,963	45,420	-	(108,125)
Total primary government	\$ 1,533,040	715,039	163,196	-	(654,805)

(continued on next page)

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

Town of Apple Valley
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2024

Item 2.

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (546,680)	(108,125)	(654,805)
General revenues:			
Property taxes	171,600	-	171,600
Sales tax	201,393	-	201,393
Other taxes	101,386	-	101,386
Impact fees	252,418	68,576	320,994
Unrestricted investment earnings	53,397	12,004	65,401
Miscellaneous	14,983	-	14,983
Total general revenues	795,178	80,580	875,757
Change in net position	248,498	(27,545)	220,952
Net position - beginning	2,037,879	2,715,517	4,753,396
Corrections of errors	(50,191)	-	(50,191)
Net position - ending	\$ 2,236,185	2,687,972	4,924,157

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

Town of Apple Valley
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

Item 2.

	General Fund	Capital Projects Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 516,260	-	516,260
Receivables:			
Customer accounts, net of allowances	67,830	-	67,830
Due from other governments	-	-	-
Property taxes	183,893	-	183,893
Due from other funds	18,914		18,914
Other assets	20	-	20
Restricted cash and cash equivalents	887,471	-	887,471
TOTAL ASSETS	\$ 1,674,387	-	1,674,387
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Liabilities:			
Accounts payable	\$ 16,889	-	16,889
Accrued liabilities	11,826	-	11,826
Customer deposits	15,448	-	15,448
Due to other funds	81,041	18,914	99,955
Total liabilities	125,204	18,914	144,118
Deferred inflows of resources - property taxes	141,420	-	141,420
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	266,624	18,914	285,538
FUND BALANCES:			
Restricted for:			
Construction and Impact fees	219,895	-	219,895
Debt service	63,450	-	63,450
RAP funds	36,231	-	36,231
Beer tax funds	2,010	-	2,010
Committed for storm drainage	284,516	-	284,516
Assigned	20,860	-	20,860
Unassigned	780,801	(18,914)	761,887
TOTAL FUND BALANCES	1,407,764	(18,914)	1,388,850
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,674,387	-	1,674,387

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

Town of Apple Valley
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2024

Item 2.

	General Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:			
Taxes:			
Property	\$ 166,841	-	166,841
Sales	201,393	-	201,393
Other taxes	101,386	-	101,386
License and permits	83,877	-	83,877
Intergovernmental revenues	117,775	-	117,775
Charges for services	201,674	-	201,674
Fines and forfeitures	3,524	-	3,524
Interest	53,397	-	53,397
Miscellaneous revenue	14,983	-	14,983
Total revenues	944,852	-	944,852
EXPENDITURES:			
Current:			
General government	336,891	32,832	369,723
Public safety	171,167	-	171,167
Public works	179,948	560	180,508
Culture and recreation	10,120	2,448	12,568
Debt service:			
Principal	35,000	-	35,000
Interest	28,122	-	28,122
Total expenditures	761,248	35,840	797,088
Excess (Deficiency) of Revenues over (Under) Expenditures	183,604	(35,840)	147,764
Other Financing Sources and (Uses):			
Impact fees	252,418	-	252,418
Transfers in (out)	-	-	-
Total other financing sources and (uses)	252,418	-	252,418
Net Change in Fund Balances	436,022	(35,840)	400,181
Fund balances - beginning of year	1,021,933	16,926	1,038,859
Correction of errors	(50,191)	-	(50,191)
Fund balance - end of year	\$ 1,407,764	(18,914)	1,388,850

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

Town of Apple Valley
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

Item 2.

Total Fund Balance for Governmental Funds	\$ 1,388,850
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	3,575,548
Less accumulated depreciation	<u>(1,765,378)</u>
Net capital assets	<u>1,810,170</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>27,464</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	<u>(1,091,000)</u>
Interest accrued but not yet paid on long-term debt	<u>(20,465)</u>
Compensated absences	<u>(5,002)</u>
Net pension liability	<u>(13,117)</u>
Deferred inflows of resources - pensions	<u>(2,135)</u>
Deferred inflows of resources - property taxes	<u>141,420</u>
Total Net Position of Governmental Activities	<u>\$ 2,236,185</u>

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

Town of Apple Valley

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2024

Item 2.

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 400,181</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.	
Capital outlays	17,832
Depreciation expense	<u>(212,778)</u>
Net	<u>(194,946)</u>
The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	
	<u>2,991</u>
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Long-term debt principal repayments	<u>35,000</u>
Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.	
Change in accrued interest	<u>512</u>
Deferred inflows of resources - property taxes	<u>4,759</u>
Change in Net Position of Governmental Activities	<u>\$ 248,498</u>

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

Town of Apple Valley
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2024

Item 2.

	Big Plains Water & Sewer SSD
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Accounts receivable	570
Due from other funds	81,041
Total current assets	<u>81,611</u>
Non-current assets:	
Restricted cash and cash equivalents	231,196
Capital assets:	
Not being depreciated	2,018,144
Net of accumulated depreciation	4,770,975
Total non-current assets	<u>7,020,314</u>
Total assets	<u>7,101,925</u>
Deferred outflows of resources - pensions	6,839
Total assets and deferred outflows of resources	<u>\$ 7,108,764</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Liabilities:	
Current liabilities:	
Accounts payable	\$ 4,883
Accrued liabilities	2,459
Customer security deposits	15,448
Compensated absences	4,508
Accrued interest payable	839
Revenue bonds due within one year	147,697
Total current liabilities	<u>175,834</u>
Non-current liabilities:	
Revenue bonds, long-term	4,241,231
Net pension liability	3,360
Total non-current liabilities	<u>4,244,591</u>
Total liabilities	<u>4,420,425</u>
Deferred inflows of resources - pensions	367
Total liabilities and deferred inflows of resources	<u>4,420,792</u>
NET POSITION:	
Net investment in capital assets	2,400,191
Restricted	301,502
Unrestricted	(13,721)
Total net position	<u>2,687,972</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 7,108,764</u>

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

Town of Apple Valley
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUND
For the Year Ended June 30, 2024

Item 2.

	Big Plains Water & Sewer SSD
Operating income:	
Charges for sales and service	\$ 412,191
Connection fees	10,110
Other operating income	3,662
Total operating income	425,963
Operating expenses:	
Personnel services	52,225
Utilities	17,306
Repair & maintenance	75,458
Professional services	136,052
Other supplies & expenses	22,953
Insurance	1,832
Depreciation expense	154,449
Total operating expense	460,275
Net operating income (loss)	(34,312)
Non-operating income (expense):	
Impact fees	68,576
Interest income	12,004
Operating grants	45,420
Legal fee expenses	(36,115)
Interest on long-term debt	(83,119)
Total non-operating income (expense)	6,767
Change in net position	(27,545)
Net position - beginning	2,715,517
Net position - ending	\$ 2,687,972

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

Town of Apple Valley
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For the Year Ended June 30, 2024

Item 2.

	Big Plains Water & Sewer SSD
Cash flows from operating activities:	
Cash received from customers - service	\$ 416,295
Change in accounts receivable	(273,781)
Cash paid to suppliers	(50,209)
Net cash provided (used) in operating activities	92,305
Cash flows from capital and related financing activities:	
Cash from impact fees	68,576
Cash received from operating grants	26,740
Cash payments for capital assets	(10,606)
Cash payments for legal fees	(36,115)
Cash payments for long-term debt principal	(142,430)
Cash payments for long-term debt interest	(87,110)
Net cash provided (used) in capital and related financing activities	(180,945)
Cash flows from investing activities:	
Cash received from interest earned	12,004
Net cash provided (used) in investing activities	12,004
Net increase (decrease) in cash	(76,637)
Cash balance, beginning	307,833
Cash balance, ending	\$ 231,196
Cash reported on the statement of net position:	
Cash and cash equivalents	\$ -
Non-current restricted cash	231,196
Total cash and cash equivalents	\$ 231,196

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

Town of Apple Valley
STATEMENT OF CASH FLOWS (continued)
For the Year Ended June 30, 2024

Item 2.

Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:	Big Plains Water & Sewer SSD
Net operating income (expense)	\$ (34,312)
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:	
Depreciation and amortization	154,449
Net pension expense/employer pension contribution	2,016
Changes in assets and liabilities:	
(Increase) decrease in receivables	(9,668)
Increase (decrease) in payables	(21,124)
Increase (decrease) in net pension liability	944
Increase (decrease) in deferred inflows	-
Net cash provided (used) in operating activities	\$ 92,305

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

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

Town of Apple Valley (the Town), a municipal corporation located in Washington County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable.

Blended Component Unit

Big Plains Water & Sewer Special Service District was created by the adoption of a resolution establishing a service district and has been established as a separate body politic and corporate. The District was created for the purpose of building, maintaining and improving the water and sewer systems within the District's boundaries. The District's governing body is substantively the same as the governing body of the primary government and is so intertwined with the Town that it is, in substance, the same as the Town and is reported as part of the Town.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports the financial position of the governmental and business-type activities of the Town and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Town departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When faced with a choice, it is the Town's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities.

1-D. Fund types and major funds

Governmental funds

The Town reports the following major governmental fund:

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

The Town reports the following as non-major governmental fund:

The *capital projects fund* is used to account for the acquisition or construction of major capital facilities of the Town (other than those financed by proprietary funds).

Proprietary funds

The Town reports the following major proprietary fund:

The *Big Plains Water & Sewer Special Service District Fund* is used to account for the activities of the culinary water production, treatment and distribution, as well as the activities of the sewer collection and treatment systems.

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1-E-1. Deposit and Investments

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The Town's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

1-E-2. Cash and Cash Equivalents

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

1-E-3. Receivables and Payables

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of allowance for uncollectable accounts. Due to the nature of the accounts receivable, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectable accounts receivable is presented.

During the course of operations, there may be transactions that occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either due to or due from other funds.

Property taxes are assessed and collected for the Town by Washington County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

1-E-4. Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. Inventories and Prepaid items

Other inventories, which mainly consist of immaterial amounts of expendable supplies for consumption, are not reported. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. Capital Assets

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual significant cost and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15
Improvements other than buildings	5-30
Vehicles and equipment	5-20
Utility systems	40

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

1-E-8. Compensated Absences

The Town has a policy which requires full-time employees eligible to accrue leave time to use vacation days in the year they are earned. The Town does not pay accumulated leave at termination. Sick leave may be accumulated up to a maximum of 30 days, but no portion of the accumulated sick leave is paid out upon termination. Therefore, no liability for compensated absences is necessary.

1-E-9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The Town has two types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The Town also reports deferred inflows related to pensions as required by GASB 68.

1-E-10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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. Investments are reported at fair value.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

1-E-11. Net position flow assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

1-E-12. Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to reports as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using and of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

1-E-13. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the Town’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Town Council has by resolution authorized the Town Council to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

1-F. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

1-G. Correction of errors

The prior year fund balance was originally reported as \$1,021,933. The beginning fund balance for fiscal year 2024 has decreased by \$50,191 as a result of correcting receivables for tax revenues, resulting in a corrected beginning fund balance of \$971,742.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared by the Budget Officer and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 35% of the current year's actual revenues must be appropriated within the following two years.

Once adopted, the budget may be amended by the Town Council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. The Budget Officer may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Taxes

Washington County assesses all taxable property other than centrally assessed property, which is assessed through the state, by May 22 of each year. The Town should adopt a final tax rate prior to June 22, which is then submitted to the state for approval. Property taxes are due on November 30 of each year. Delinquent taxes are subject to a penalty of 2% or \$10.00, whichever is greater. After January 15 of the following year, delinquent taxes and penalty bear interest of 6% above the federal discount rate from January 1 until paid.

Property taxes attach as an enforceable lien on property as they become delinquent. All unpaid taxes levied during the year become delinquent December 1 of the current year.

Property tax revenues are recognized when they become measurable and available. Amounts available include those property tax receivables expected to be collected within sixty days after year end.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2024, consist of the following:

	Fair Value
Cash on hand	\$ 3,852
Cash on deposit	238,914
State Treasurer's Investment Pool	1,392,161
Total cash	<u>\$ 1,634,927</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 516,260
Restricted cash and cash equivalents (non-current)	1,118,667
Total cash and cash equivalents	<u>\$ 1,634,927</u>

Cash equivalents and investments are carried at fair value in accordance with GASB Statement No. 72.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The Town maintains monies not immediately needed for expenditure in PTIF accounts.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

3-A. Deposits and investments (continued)

Fair value of investments

The Town 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--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2024, the Town had \$1,392,161 invested in the PTIF, which uses a Level 2 fair value measurement.

Deposit and investment risk

The Town maintains no investment policy containing any specific provisions intended to limit the Town's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The Town's compliance with the provisions of UMMA addresses each of these risks.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the Town are available immediately.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligations. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2024, all of the Town's demand deposits were insured.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. This risk is addressed through the policy of investing excess monies only in PTIF.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

3-B. Receivables

The allowance policy is described in Note 1-E-3. Receivables as of year-end for the Town's funds are shown below:

	General	Big Plains Water & Sewer	
	Fund	SSD	Total
Customers, current	\$ 67,830	570	68,400
Intergovernmental	-	-	-
Property taxes	183,893	-	183,893
Total receivables	\$ 251,722	570	252,292

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

3-C. Capital assets

Capital asset activity for governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land and rights	\$ 439,556	-	-	439,556
Construction in progress	4,244	17,832	-	22,076
Total capital assets, not being depreciated	443,800	17,832	-	461,632
Capital assets, being depreciated:				
Buildings	203,871	-	-	203,871
Improvements other than buildings	2,366,898	-	-	2,366,898
Machinery and equipment	543,147	-	-	543,147
Total capital assets, being depreciated	3,113,917	-	-	3,113,917
Less accumulated depreciation for:				
Buildings	92,491	9,968	-	102,459
Improvements other than buildings	996,008	163,124	-	1,159,132
Machinery and equipment	464,101	39,686	-	503,787
Total accumulated depreciation	1,552,600	212,778	-	1,765,378
Total capital assets being depreciated, net	1,561,317	(212,778)	-	1,348,539
Governmental activities capital assets, net	\$ 2,005,117	(194,946)	-	1,810,170

Depreciation expense was charged to functions/programs of the primary government governmental activities as follows:

Governmental activities:	
General government	\$ 17,763
Public safety	11,912
Streets and public works	177,745
Parks, recreation and public property	5,359
Total	\$ 212,778

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

3-C. Capital assets (continued)

Capital asset activity for the business-type activities was as follows:

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 21,507	-	-	21,507
Water rights	1,996,483	-	-	1,996,483
Construction in progress	34,053	-	33,899	154
Total capital assets, not being depreciated	2,052,043	-	33,899	2,018,144
Capital assets, being depreciated:				
Distribution and collection system	5,967,686	29,723	-	5,997,409
Machinery and equipment	42,132	14,782	-	56,914
Total capital assets, being depreciated	6,009,818	44,505	-	6,054,323
Less accumulated depreciation for:				
Distribution and collection system	1,105,271	151,231	-	1,256,502
Machinery and equipment	23,629	3,218	-	26,847
Total accumulated depreciation	1,128,900	154,449	-	1,283,349
Total capital assets being depreciated, net	4,880,918	(109,943)	-	4,770,975
Business-type activities capital assets, net	\$ 6,932,961	(109,943)	33,899	6,789,119

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-type activities:	
Water	\$ 154,449
Total	\$ 154,449

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

3-D. Long-term debt

Long-term debt activity for the governmental activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2015 Gateway Bond							
Matures 10/1/2046	\$ 1,318,000	2.50	\$ 1,126,000	-	35,000	1,091,000	36,000
Total governmental activity							
long-term liabilities			\$ 1,126,000	-	35,000	1,091,000	36,000

Bond debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2025	\$ 36,000	27,275	63,275
2026	37,000	26,375	63,375
2027	38,000	25,450	63,450
2028	38,000	24,500	62,500
2029	39,000	23,550	62,550
2030-2034	211,000	102,625	313,625
2035-2039	240,000	74,750	314,750
2040-2044	272,000	43,225	315,225
2045-2047	180,000	9,100	189,100
Total	\$ 1,091,000	356,850	1,447,850

The governmental bonds are secured by their respective revenues.

The District has outstanding bonds related to governmental activities totaling \$1,091,000. The outstanding bonds are all secured with their respective revenues and/or property and equipment.

Long-term debt activity for the business-type activities was as follows:

	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2018 Water Bond Series A							
Matures 10/1/2037	\$ 88,000	-	\$ 68,000	-	4,000	64,000	4,000
2012 Water Project							
Matures 1/1/2044	2,540,000	-	1,775,000	-	85,000	1,690,000	85,000
2018 Water Bond Series B							
Matures 5/1/2048	362,000	1.00	306,000	-	11,000	295,000	11,000
2015 Water Bond 02							
Matures 8/15/2054	300,000	4.00	270,728	-	4,480	266,248	4,663
2015 Water Bond 01							
Matures 9/15/2054	2,364,800	3.50	2,111,630	-	37,950	2,073,680	39,300
Total business-type activity							
long-term liabilities			\$ 4,531,358	-	142,430	4,388,928	143,963

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

3-D. Long-term debt (continued)

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2025	\$ 143,963	85,467	229,430
2026	144,550	83,770	228,320
2027	147,196	82,014	229,210
2028	147,900	80,200	228,100
2029	150,667	78,323	228,990
2030 - 2034	788,151	361,049	1,149,200
2035 - 2039	840,954	303,246	1,144,200
2040 - 2044	889,426	234,624	1,124,050
2045 - 2049	534,650	153,110	687,760
2050 - 2054	574,116	58,284	632,400
2055	27,356	152	27,508
Total	\$ 4,388,928	1,520,240	5,909,168

The business-type bonds are secured by their respective revenues.

The District has outstanding bonds related to business-type activities totaling \$4,388,928. The outstanding bonds are all secured with their respective revenues and/or property and equipment.

The District has no unused lines of credit as of June 30, 2024.

3-E. Interfund balances

At year-end there was \$18,914 due from the capital projects fund to the general fund. Additionally, there was \$81,041 due from the general fund to the utility fund. The Town is currently billing and collecting the Big Plain Water and Sewer SSD's service revenues. The \$81,041 represents the outstanding portion of service revenues billed but not collected as of the end of the fiscal year by the Town on behalf of Big Plains Water and Sewer SSD.

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The Town is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-C. Pension Plans

General Information about the Pension Plan

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, retirement system.
- Firefighters Retirement System (Firefighters System) is a multiple-employer, cost sharing, retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters 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 Town, Utah 84102 or visiting the website: www.urs.org/general/publications.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

4-C. Pension Plans (continued)

Benefits provided:

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

System	Final Average Salary	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%
Firefighters System	Highest 3 Years	20 years any age 10 years age 62 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 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%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

* with actuarial reductions

** All past-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.

Contributions: 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 June 30, 2024, are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k) Plan
Noncontributory System			
15 - Tier 1 DB System	-	17.97	-
111 - Tier 2 DB Hybrid System	-	16.01	0.18
211 - Tier 2 401(k) Option	-	6.19	10.00
Firefighters Retirement System			
31 - Tier 1 DB System	15.05	3.61	-
132 - Tier 2 DB Hybrid System	2.59	14.08	0.00
232 - Tier 2 401(k) Option	-	0.08	14.00

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

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

4-C. Pension Plans (continued)

For the fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 5,894	-
Tier 2 Public Employees System	2,307	-
Tier 2 Public Safety and Firefighter	7,025	-
Tier 2 DC Public Employees Plan	2,668	-
Total Contributions	\$ 17,894	-

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.

At June 30, 2024, we reported a net pension asset of \$0 and a net pension liability of \$16,477.

	(Measurement Date): December 31, 2023			Proportionate	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Share 12/31/2022	Change (Decrease)
Noncontributory System	\$ -	8,254	0.0017794%	0.0037646%	-0.0019853%
Tier 2 Public Employees System	-	3,852	0.0019791%	0.0035240%	-0.0015449%
Tier 2 Public Safety and Firefighter	-	4,371	0.0116024%	0.0045490%	0.0070534%
Total	\$ -	16,477			

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 June 30, 2024, we recognize pension expense of \$15,891.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,351	\$ 361
Changes in assumptions	7,866	93
Net difference between projected and actual earnings on pension plan investments	3,577	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,691	2,048
Contributions subsequent to the measurement date	10,818	-
Total	\$ 34,303	\$ 2,502

\$10,818 was 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.

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

4-C. Pension 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:

<u>Year Ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources
2024	\$ 5,177
2025	4,613
2026	6,692
2027	(674)
2028	660
Thereafter	4,515

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 Percent
Salary increases	3.50 - 9.50 percent, average, including inflation
Investment rate of return	6.85 percent, 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Assets class</u>	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Totals	100.00%		5.45%
Inflation			2.50%
Expected arithmetic nominal return			7.95%

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

Item 2.

4-C. Pension Plans (continued)

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

Discount rate:

The discount rate used to measure the total pension liability was 6.85 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 would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-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	\$ 42,842	8,254	(20,709)
Tier 2 Public Employees System	13,235	3,852	(3,425)
Tier 2 Public Safety and Firefighter	14,082	4,371	(3,399)
Total	\$ 70,159	16,477	(27,533)

Pension plan fiduciary net position:

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

Defined Contribution Savings Plan:

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

- 401(k) Plan
- Roth IRA Plan

Town of Apple Valley
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

4-C. Pension Plans (continued)

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
401(k) Plan			
Employer Contributions	\$ 4,337	\$ 635	\$ 184
Employee Contributions	-	-	-
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,200	-	-

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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Budgetary Comparison Schedules

The Budgetary Comparison Schedule presented in this section of the report is for the Town's General Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Town Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2024, total expenditures were under the total appropriated budget.

Changes in Assumptions Related to Pensions

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.

Town of Apple Valley

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2024

Item 2.

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property	\$ 153,061	153,061	166,841	13,780
Sales	196,000	196,000	201,393	5,393
Other taxes	100,300	100,300	101,386	1,086
License and permits	67,000	67,000	83,877	16,877
Intergovernmental revenues	148,100	148,100	117,775	(30,325)
Charges for services	621,003	621,003	201,674	(419,329)
Fines and forfeitures	5,000	5,000	3,524	(1,476)
Interest	42,200	42,200	53,397	11,197
Gravel pit royalties	-	-	-	-
Miscellaneous revenue	14,800	14,800	14,983	183
Total revenues	1,347,464	1,347,464	944,852	(402,612)
EXPENDITURES:				
General government	332,850	332,850	336,891	(4,041)
Public safety	185,825	185,825	171,167	14,658
Highways and streets	207,250	207,250	179,948	27,302
Parks, recreation and public property	10,700	10,700	10,120	580
Debt service:				
Principal	35,000	35,000	35,000	-
Interest	28,150	28,150	28,122	28
Total expenditures	799,775	799,775	761,248	38,527
Excess (Deficiency) of Revenues over (Under) Expenditures	547,689	547,689	183,604	(364,085)
Other Financing Sources and (Uses):				
Impact fees	69,000	69,000	252,418	183,418
Transfers in	-	-	-	-
Transfers out	(265,000)	(265,000)	-	265,000
Total other financing sources and (uses)	(196,000)	(196,000)	252,418	448,418
Net Change in Fund Balances	351,689	351,689	436,022	84,333
Fund balances - beginning of year	1,021,933	1,021,933	1,021,933	-
Correction of errors	(50,191)	(50,191)	(50,191)	-
Fund balance - end of year	\$ 1,323,431	1,323,431	1,407,764	84,333

Town of Apple Valley
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2024
Last 10 Fiscal Years

	As of December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory Retirement System										
Proportion of the net pension liability/(asset)	0.0017794%	0.0037646%	0.0053608%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability/(asset)	\$ 8,254	\$ 12,896	\$ (30,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 16,678	\$ 54,958	\$ 54,609	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.15%	15.83%	-5622.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	96.90%	97.50%	108.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tier 2 Public Employees System										
Proportion of the net pension liability/(asset)	0.0019791%	0.0035240%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability/(asset)	\$ 3,852	\$ 3,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 51,166	\$ 76,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.53%	5.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	89.58%	92.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Tier 2 Public Safety and Firefighters System										
Proportion of the net pension liability/(asset)	0.0116024%	0.0041549%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
Proportionate share of the net pension liability/(asset)	\$ 4,371	\$ 379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 43,962	\$ 13,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	9.94%	2.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability/(asset)	89.10%	96.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Town of Apple Valley
SCHEDULE OF CONTRIBUTIONS
June 30, 2024
Last 10 Fiscal Years

Item 2.

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	8,313	8,313	-	45,006	18.47%
	2021	9,001	9,001	-	48,731	18.47%
	2022	10,389	10,389	-	56,247	18.47%
	2023	7,865	7,865	-	43,770	17.97%
	2024	28,668	28,668	-	32,801	17.97%
Tier 2 Public Employee System	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	3,634	3,634	-	29,671	12.25%
	2023	13,955	13,955	-	87,161	16.01%
	2024	2,307	2,307	-	14,410	16.01%
Tier 2 Public Safety and Firefighter System	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	4,795	4,795	-	32,896	14.58%
	2024	7,025	7,025	-	49,890	14.08%
Tier 2 DC Public Employees System	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
	2023	467	467	-	4,784	9.76%
	2024	2,668	2,668	-	41,328	6.46%

Contributions in Tier 2, created July 1, 2011, include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

SUPPLEMENTAL INFORMATION

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Town of Apple Valley
OTHER SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2024

This information is required by one of the Big Plains Water Special Service District's bondholders to be included in the notes to the financial statements. It is not otherwise a required item for disclosure.

Insurance Coverage

The Big Plains Water Special Service District was insured for General Liability and Auto by the Utah Local Government Trust as of June 30, 2024. The following is a summary of the relevant coverages at June 30, 2024:

<u>Policy #17220-GL2012:</u>	<u>Amount of Coverage</u>	<u>Expires</u>
General Liability	\$ 2,000,000	9/30/2024
Auto Bodily Injury	2,000,000	9/30/2024
Auto Property Damage	2,000,000	9/30/2024
Personal Injury Protection	As State Requires	9/30/2024
Underinsured Motorist	80,000	9/30/2024
Uninsured Motorist	80,000	9/30/2024
Pollution Exclusion Endorsement	50,000	9/30/2024
No Fault Sewer Cleanup	5,000	9/30/2024

Water System Cutomers and Connections

Customers	576
Connections	466
Total revenues billed	\$ 386,969

Schedule of Water Rates

	<u>Cost Per 1,000 Gallons:</u>	
Water - Base of \$49.00	5,000	\$ 1.50
	5,001-12,000	\$ 1.75
	12,001-25,000	\$ 2.00
	25,001-35,000	\$ 2.25
	35,001-45,000	\$ 2.50
	45,001+	\$ 2.75

Established Funds and Balances

Bond Fund	42,500
Reserve Fund	200,351
Asset Replacement Reserve	58,651

Governing Body

Andy McGinnis	Chairman/Town Council
Ross Gregerson	Treasurer
Frank Lundhardt	Board Member/Mayor
Harold Merritt	Board Member
Jarry Zaharias	Board Member



HINTONBURDICK
CPAs & ADVISORS

**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Town Council
Town of Apple Valley, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Town of Apple Valley, Utah and the Big Plains Water Special Service District (aggregately the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

HintonBurdick, PLLC

March 31, 2025
St. George, UT



HINTONBURDICK

CPAs & ADVISORS

Independent Auditors' Report on Compliance and Report on Internal Control Over Compliance As Required by the State Compliance Audit Guide

Town Council and Management
Town of Apple Valley, Utah

Report on Compliance

We have audited the Town of Apple Valley, Utah and the Big Plains Water Special Service District (aggregately the Town) compliance with the applicable general state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Town for the year ended June, 30, 2024.

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

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Impact Fees
- Special and Local Service District Board Members
- Utah Retirement Systems
- Public Treasurer's Bond
- Open and Public Meetings Act

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Town's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Town occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying schedule of findings and recommendations as item 2024-001. Our opinion on compliance is not modified with respect to these matters.

The Town's response to the noncompliance findings identified in our audit is described in the accompanying Response to Findings. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We did note matters involving internal control over compliance or certain deficiencies which we are submitting for your consideration. These matters are described in the accompanying letter of Findings and Recommendations.

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

HintonBurdick, PLLC

St. George, Utah
March 31, 2025

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**Findings and Recommendations
For the Year Ended June 30, 2024**

Town Council and Management
Town of Apple Valley, Utah

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of the financial statements of the Town of Apple Valley, Utah and the Big Plains Water SSD for the fiscal year ended June 30, 2024 we noted a few circumstances that, if improved, would strengthen the District's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted.

Significant Deficiencies:

None noted.

COMPLIANCE AND OTHER MATTERS:

Compliance:

2024-001. Budgetary Excess

Criteria: Utah Code Section 10-5-115 states a Town may not make or incur expenditures in excess of total appropriations adopted in the budget.

Condition: During fiscal year 2024, the Town had the following departments and funds with expenditures in excess of budgeted amounts:

- General government – General Fund by \$4,041
- Big Plains Water District by \$65,060

Cause: Unanticipated year-end expenditures in the general fund, and unexpected professional services expense and depreciation expense in the water district cause expenditures above budgeted amounts.

Effect: The Town is not in compliance with this state budgeting requirement.

Recommendation: We recommend the Town review, and updated as needed, its procedures to limit expenditures within authorized limits or amend its budget during the year when events arise causing certain departments to exceed the budget.

Other Matters:

None noted.

RESPONSES:

Please respond to the above Findings and Recommendations in letter form.

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

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

Sincerely,

HintonBurdick, PLLC

March 31, 2025



1777 North Meadowlark Drive, Apple Valley, Utah 84737
 Phone: 435-877-1190 Fax: 435-877-1192
www.applevalleyut.gov

To Hinton Burdick, audit team in charge of the Apple Valley audit:

In response to the audit finding as stated below,

"2024-001. Budgetary Excess

Criteria: Utah Code Section 10-5-115 states a Town may not make or incur expenditures in excess of total appropriations adopted in the budget.

Condition: During fiscal year 2024, the Town had the following departments and funds with expenditures in excess of budgeted amounts:

- ☐ General government – General Fund by \$4,041
- ☐ Big Plains Water District by \$65,060

Cause: Unanticipated year-end expenditures in the general fund, and unexpected professional services expense and depreciation expense in the water district cause expenditures above budgeted amounts.

Effect: The Town is not in compliance with this state budgeting requirement.

Recommendation: We recommend the Town review, and updated as needed, its procedures to limit expenditures within authorized limits or amend its budget during the year when events arise causing certain departments to exceed the budget."

As suggested by the information provided in the finding, the cause for the town budget variance was mostly just a need to amend the budget. Significant roles within the town have recently (second half of the fiscal year) undergone personnel changes. This was a great reminder to tighten up our internal processes and the budget will be amended accordingly and when necessary going forward.

As suggested by the information provided in the finding, the cause for the significant district budget variance was professional services and depreciation. Similar to what was described for the town, the depreciation is a matter of paying closer attention to future changes in property & equipment placed in service when preparing the budget, and amending when necessary to account for any unanticipated changes. As for professional services, and more specifically – legal fees, internal controls have been put in place to ensure the lawyer(s) are only contacted when absolutely necessary. Before the personnel shift, the lawyer(s) had been used for several tasks that are now completed by the district staff & management.

-Michael Farrar
 Accountant

Big Plains Water Special Service District**WATER USAGE ANALYSIS**

	COMPARABLE ACCTS			TOTAL SYSTEM		
	2024/2025	2023/2024	Over/ (Under)	2024/2025	2023/2024	Over/ (Under)
JUL 2024	5,636,140	4,175,649	1,460,491	8,878,424	5,479,963	3,398,461
AUG	5,668,974	5,186,555	482,419	6,948,130	6,109,615	838,515
SEP	5,312,309	3,383,692	1,928,617	6,979,299	3,797,812	3,181,487
OCT	4,579,587	4,317,647	261,940	5,271,210	4,543,937	727,273
NOV	2,732,446	3,051,942	(319,496)	3,062,903	3,157,262	(94,359)
DEC	2,557,924	2,496,641	61,283	2,785,854	2,524,351	261,503
JAN 2025	2,021,606	1,929,335	92,271	2,958,671	2,217,125	741,546
FEB	2,135,835	1,628,010	507,825	2,668,605	1,648,950	1,019,655
MAR			0			0
APR			0			0
MAY			0			0
JUNE			0			0
FY2025 SUBTOTALS	30,644,821	26,169,471	4,475,350	39,553,096	29,479,015	10,074,081
	2025/2026	2024/2025	Over/ (Under)	2025/2026	2024/2025	Over/ (Under)
JUL 2025			0			0
AUG			0			0
SEP			0			0
OCT			0			0
NOV			0			0
DEC			0			0
JAN 2026			0			0
FEB			0			0
MAR			0			0
APR			0			0
May			0			0
JUNE			0			0
FY2026 SUBTOTALS	0	0	0	0	0	0

Comparable Accounts: Had usage in both years

Total System: All usage

Big Plains Water Special Service District**WATER USAGE ANALYSIS**

	COMPARABLE ACCTS			TOTAL SYSTEM		
	2024/2025	2023/2024	Over/ (Under)	2024/2025	2023/2024	Over/ (Under)
JUL 2024	5,636,140	4,175,649	1,460,491	8,878,424	5,479,963	3,398,461
AUG	5,668,974	5,186,555	482,419	6,948,130	6,109,615	838,515
SEP	5,312,309	3,383,692	1,928,617	6,979,299	3,797,812	3,181,487
OCT	4,579,587	4,317,647	261,940	5,271,210	4,543,937	727,273
NOV	2,732,446	3,051,942	(319,496)	3,062,903	3,157,262	(94,359)
DEC	2,557,924	2,496,641	61,283	2,785,854	2,524,351	261,503
JAN 2025	2,021,606	1,929,335	92,271	2,958,671	2,217,125	741,546
FEB	2,135,835	1,628,010	507,825	2,668,605	1,648,950	1,019,655
MAR	2,259,604	2,204,640	54,964	3,479,383	2,530,120	949,263
APR			0			0
MAY			0			0
JUNE			0			0
FY2025 SUBTOTALS	32,904,425	28,374,111	4,530,314	43,032,479	32,009,135	11,023,344
	2025/2026	2024/2025	Over/ (Under)	2025/2026	2024/2025	Over/ (Under)
JUL 2025			0			0
AUG			0			0
SEP			0			0
OCT			0			0
NOV			0			0
DEC			0			0
JAN 2026			0			0
FEB			0			0
MAR			0			0
APR			0			0
May			0			0
JUNE			0			0
FY2026 SUBTOTALS	0	0	0	0	0	0

Comparable Accounts: Had usage in both years

Total System: All usage

**Big Plains Water Special Service District
Disbursement Listing**

Item 4.

Checking - SBSU Operating - 02/01/2025 to 02/28/2025

Payee Name	Reference Number	Payment Date	Payment Amount	Void Date	Void Amount	Source
Town of Apple Valley	1662	02/06/2025	\$5,014.49			Purchasing
Scholzen Products Company, Inc.	1663	02/06/2025	\$162.44			Purchasing
Total Ready Mix, LLC	1664	02/06/2025	\$376.50			Purchasing
Payroll	0207251200	02/07/2025	\$2,070.63			Paycheck
Internal Revenue Service	EFTPS0207202	02/07/2025	\$551.60			Payroll
Utah Retirement Systems	URS02072025	02/07/2025	\$366.69			Payroll
Southwest Utah Public Health Departme	1665	02/10/2025	\$75.00			Purchasing
Rocky Mountain Power Company	RMP02182025	02/18/2025	\$1,537.92			Purchasing
USDA Rural Development	USDA02142025	02/18/2025	\$9,271.00			Purchasing
USDA Rural Development	USDA02182025	02/18/2025	\$1,269.00			Purchasing
Buck's Ace	1666	02/19/2025	\$32.82			Purchasing
Ruesch Reeve Werrett & Jones, PLLC	1667	02/19/2025	\$4,645.00			Purchasing
Scholzen Products Company, Inc.	1668	02/19/2025	\$982.89			Purchasing
Payroll	0221251200	02/21/2025	\$2,070.63			Paycheck
Internal Revenue Service	ADJ02202025	02/21/2025	\$1,168.45			Purchasing
Internal Revenue Service	EFTPS0221202	02/21/2025	\$551.60			Payroll
Utah Retirement Systems	URS02212025	02/21/2025	\$366.69			Payroll
Home Depot	HD02242025	02/24/2025	\$67.58			Purchasing
Home Depot	HD2242025	02/24/2025	\$1,413.77			Purchasing
Buck's Ace	1669	02/25/2025	\$90.13			Purchasing
			\$32,084.83		\$0.00	

Big Plains Water Special Service District
Disbursement Listing
Checking - SBSU Operating - 03/01/2025 to 03/31/2025

Payee Name	Reference Number	Payment Date	Payment Amount	Void Date	Void Amount	Source
Home Depot	HD03052025	03/05/2025	\$89.05			Purchasing
Pelorus Methods	1670	03/06/2025	\$500.00			Purchasing
Town of Apple Valley	1671	03/06/2025	\$3,000.00			Purchasing
Rural Water Association of Utah	1672	03/06/2025	\$621.00			Purchasing
Scholzen Products Company, Inc.	1673	03/06/2025	\$778.57			Purchasing
Payroll	0307251200	03/07/2025	\$2,070.63			Paycheck
Utah Retirement Systems	URS03072025	03/07/2025	\$366.69			Payroll
Southwest Utah Public Health Departme	1674	03/10/2025	\$75.00			Purchasing
Basic American Supply	BAS03102025	03/10/2025	\$23.16			Purchasing
Home Depot	HD03102025	03/10/2025	\$17.22			Purchasing
State Bank of Southern Utah	SBSU31025	03/10/2025	\$454.07			Purchasing
Amazon	A03142025	03/14/2025	\$96.94			Purchasing
USDA Rural Development	USDA03172025	03/17/2025	\$9,271.00			Purchasing
USDA Rural Development	USDA3172025	03/17/2025	\$1,269.00			Purchasing
Ruesch Reeve Werrett & Jones, PLLC	1675	03/19/2025	\$1,176.50			Purchasing
Amazon	A3172025	03/19/2025	\$193.59			Purchasing
Rocky Mountain Power Company	RMP03192025	03/19/2025	\$1,719.67			Purchasing
Payroll	0321251200	03/21/2025	\$2,353.96			Paycheck
Internal Revenue Service	EFTPS0321202	03/21/2025	\$551.60			Payroll
Utah Retirement Systems	URS03312025	03/31/2025	\$366.69			Payroll
			\$24,994.34		\$0.00	

Big Plains Water Special Service District
Operational Budget Report
51 Big Plains Water & Sewer SSD - 07/01/2024 to 02/28/2025
66.67% of the fiscal year has expired

Item 5.

	Prior YTD	Current Month	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Sales	242,448.11	37,875.78	463,494.78	442,400.00	104.77%
5150 Water Standby Fees	23,155.33	3,750.00	31,411.34	33,000.00	95.19%
5310 Connection Fees	0.00	0.00	6,400.00	6,700.00	95.52%
5410 Late Penalties and Fees	2,179.34	356.04	3,033.40	3,000.00	101.11%
5490 Other Operating Income	17,674.86	20,299.75	20,509.48	2,250.00	911.53%
Total Operating income	285,457.64	62,281.57	524,849.00	487,350.00	107.69%
Operating expense					
6010 Clerical Contractor Labor	283.50	0.00	258.28	300.00	86.09%
6011 Town Interlocal Agreement Costs	9,669.52	5,000.00	35,000.00	60,000.00	58.33%
6013 Water Salaries and Wages	940.00	4,615.40	39,230.90	75,000.00	52.31%
6014 Water Benefits	75.56	1,572.44	13,024.29	25,000.00	52.10%
6023 Travel	269.73	0.00	0.00	500.00	0.00%
6024 Training	1,102.37	0.00	463.76	1,200.00	38.65%
6025 Books/Subscriptions/Memberships	2,360.00	0.00	3,151.60	2,800.00	112.56%
6030 Admin Supplies and Expenses	3,912.40	14.49	1,423.61	5,000.00	28.47%
6032 Postage	108.80	0.00	0.00	200.00	0.00%
6035 Bank Service Charges	0.00	0.00	(8.00)	100.00	-8.00%
6040 Professional Service	19,734.90	0.00	1,842.30	15,000.00	12.28%
6043 Accounting & Audit Fees	16,100.00	0.00	1,750.00	20,000.00	8.75%
6044 Water Testing	6,032.22	75.00	2,602.54	10,000.00	26.03%
6045 Legal Fees	33,655.00	0.00	14,005.00	16,000.00	87.53%
6050 System Maintenance and Repairs	9,487.74	895.77	10,095.94	10,000.00	100.96%
6051 System Equipment	10,264.41	478.55	3,674.71	12,000.00	30.62%
6052 Well Maintenance and Repairs	19,907.07	0.00	1,598.31	20,000.00	7.99%
6053 Tank Maintenance and Repairs	951.86	0.00	424.97	11,000.00	3.86%
6054 Hydrant Testing & Maintenance	0.00	0.00	29.18	0.00	0.00%
6060 Equipment Costs Other than Fuel	8,626.63	32.82	6,015.82	10,000.00	60.16%
6061 Equipment Fuel	1,170.18	0.00	3,984.96	6,000.00	66.42%
6067 Utilities	12,149.79	1,537.92	17,062.74	18,000.00	94.79%
6068 Telephone & Internet	1,026.00	0.00	0.00	1,500.00	0.00%
6070 Insurance	1,101.01	0.00	9,154.86	7,000.00	130.78%
6095 Depreciation Expense	104,847.21	13,628.30	108,753.89	145,000.00	75.00%
Total Operating expense	263,775.90	27,850.69	273,539.66	471,600.00	58.00%
Total Income From Operations:	21,681.74	34,430.88	251,309.34	15,750.00	1,595.61%
Non-Operating Items:					
Non-operating income					
5510 Grants	26,740.00	0.00	35,200.00	0.00	0.00%
5520 Impact Fees	50,788.00	35,576.00	106,728.00	60,000.00	177.88%
5610 Interest Income	8,022.77	1,152.70	9,337.81	9,000.00	103.75%
5690 Sundry Revenue	(6.00)	0.00	0.00	100.00	0.00%
Total Non-operating income	85,544.77	36,728.70	151,265.81	69,100.00	218.91%
Non-operating expense					
6080 Interest Expense	52,209.61	6,860.36	55,185.22	83,110.00	66.40%
Total Non-operating expense	52,209.61	6,860.36	55,185.22	83,110.00	66.40%
Total Non-Operating Items:	33,335.16	29,868.34	96,080.59	(14,010.00)	-685.80%
Total Income or Expense	55,016.90	64,299.22	347,389.93	1,740.00	19,964.94%

Big Plains Water Special Service District
Operational Budget Report
51 Big Plains Water & Sewer SSD - 07/01/2024 to 03/31/2025
75.00% of the fiscal year has expired

Item 5.

	Prior YTD	Current Month	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income From Operations:					
Operating income					
5140 Water Sales	269,904.08	45,175.72	508,670.50	442,400.00	114.98%
5150 Water Standby Fees	25,998.91	0.00	31,411.34	33,000.00	95.19%
5310 Connection Fees	0.00	0.00	6,400.00	6,700.00	95.52%
5410 Late Penalties and Fees	2,358.85	338.21	3,371.61	3,000.00	112.39%
5490 Other Operating Income	15,074.86	1,600.60	22,110.08	2,250.00	982.67%
Total Operating income	313,336.70	47,114.53	571,963.53	487,350.00	117.36%
Operating expense					
6010 Clerical Contractor Labor	283.50	0.00	258.28	300.00	86.09%
6011 Town Interlocal Agreement Costs	18,552.29	3,000.00	38,000.00	60,000.00	63.33%
6013 Water Salaries and Wages	5,128.00	6,923.10	46,154.00	75,000.00	61.54%
6014 Water Benefits	1,144.93	2,641.99	15,666.28	25,000.00	62.67%
6023 Travel	269.73	0.00	0.00	500.00	0.00%
6024 Training	1,102.37	250.00	713.76	1,200.00	59.48%
6025 Books/Subscriptions/Memberships	2,360.00	621.00	3,772.60	2,800.00	134.74%
6030 Admin Supplies and Expenses	4,473.70	500.00	1,923.61	5,000.00	38.47%
6032 Postage	108.80	0.00	0.00	200.00	0.00%
6035 Bank Service Charges	0.00	0.00	(8.00)	100.00	-8.00%
6040 Professional Service	20,337.90	0.00	1,842.30	15,000.00	12.28%
6043 Accounting & Audit Fees	18,500.00	0.00	1,750.00	20,000.00	8.75%
6044 Water Testing	7,037.22	75.00	2,677.54	10,000.00	26.78%
6045 Legal Fees	34,045.00	0.00	15,181.50	16,000.00	94.88%
6050 System Maintenance and Repairs	9,661.75	152.86	10,248.80	10,000.00	102.49%
6051 System Equipment	10,264.41	0.00	3,674.71	12,000.00	30.62%
6052 Well Maintenance and Repairs	19,907.07	2,350.00	3,948.31	20,000.00	19.74%
6053 Tank Maintenance and Repairs	951.86	0.00	424.97	11,000.00	3.86%
6054 Hydrant Testing & Maintenance	0.00	0.00	29.18	0.00	0.00%
6060 Equipment Costs Other than Fuel	8,772.58	293.34	6,309.16	10,000.00	63.09%
6061 Equipment Fuel	1,170.18	0.00	3,984.96	6,000.00	66.42%
6067 Utilities	12,942.03	1,719.67	18,782.41	18,000.00	104.35%
6068 Telephone & Internet	1,370.98	0.00	0.00	1,500.00	0.00%
6070 Insurance	1,101.01	0.00	9,154.86	7,000.00	130.78%
6095 Depreciation Expense	118,250.31	13,175.49	117,836.26	145,000.00	81.27%
Total Operating expense	297,735.62	31,702.45	302,325.49	471,600.00	64.11%
Total Income From Operations:	15,601.08	15,412.08	269,638.04	15,750.00	1,711.99%
Non-Operating Items:					
Non-operating income					
5510 Grants	26,740.00	0.00	35,200.00	0.00	0.00%
5520 Impact Fees	50,788.00	(15,409.14)	91,318.86	60,000.00	152.20%
5610 Interest Income	8,978.03	1,348.31	10,686.12	9,000.00	118.73%
5680 Contributed Capital Revenue	0.00	13,470.00	13,470.00	0.00	0.00%
5690 Sundry Revenue	(6.00)	500.00	500.00	100.00	500.00%
Total Non-operating income	86,500.03	(90.83)	151,174.98	69,100.00	218.78%
Non-operating expense					
6080 Interest Expense	59,187.71	6,849.46	62,034.68	83,110.00	74.64%
Total Non-operating expense	59,187.71	6,849.46	62,034.68	83,110.00	74.64%
Total Non-Operating Items:	27,312.32	(6,940.29)	89,140.30	(14,010.00)	-636.26%
Total Income or Expense	42,913.40	8,471.79	358,778.34	1,740.00	20,619.44%



SPECIAL BIG PLAINS WATER SPECIAL SERVICE DISTRICT MEETING

BOARD OF DIRECTORS, REGULAR MEETING
1777 N Meadowlark Dr, Apple Valley
Wednesday, March 12, 2025 at 6:45 PM

MINUTES

CALL TO ORDER- Chairman Farrar called the meeting to order at 6:58 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

Chairman Michael Farrar

Board Member Kevin Sair

Board Member Annie Spendlove

Board Member Scott Taylor

Board Member Richard Palmer

DECLARATION OF CONFLICTS OF INTEREST

None declared.

CHAIR REPORT

Chairman Farrar stated there was nothing to report under the Chair Report agenda item. Chairman Farrar mentioned that the preliminary aquifer topic would be brought up again during the upcoming public relations meeting scheduled for Wednesday, March 19, 2025. To assist with the discussion, Chairman Farrar noted they had acquired a whiteboard to draw visuals to help illustrate their points. The drawings may not be perfect but would be useful for discussion.

DISCUSSION AND ACTION

1. Application for Permanent Change of Water. No. a52732. and Request for Segregation from a Change Application. No. a26140c.

Ratification of Chairman's Signature Received on February 24, 2025.

Chairman Farrar presented the ratification of the application for a permanent change of water right and segregation request. This action was initiated to prevent the expiration of an acre-foot of water, which led to a broader review revealing that many District water rights had not been designated as municipal. The Board discussed updating these rights and adding new points of diversion to support future needs.

Board Member Spendlove requested clarification on the segregation, which staff explained was necessary to correctly assign the water right to the District. Chairman Farrar confirmed the signature had been submitted and called for a motion.

MOTION: Board Member Sair motioned we approve Application for Permanent Change of Water. No. a52732. and Request for Segregation from a Change Application. No. a26140c. Ratification of Chairman's Signature Received on February 24, 2025.

SECOND: The motion was seconded by Board Member Spendlove.

VOTE: Chairman Farrar called for a vote:

Board Member Taylor - Aye

Board Member Sair - Aye
Chairman Farrar - Aye
Board Member Spendlove - Aye
Board Member Palmer - Aye

The vote was unanimous and the motion carried.

CONSENT AGENDA

2. January 2025 Water Usage Comparison.
3. Minutes: February 19, 2025.

MOTION: Board Member Sair motioned we also approve the January 2025 Water Usage Comparison and the Minutes from February 19, 2025.

SECOND: The motion was seconded by Board Member Palmer.

VOTE: Chairman Farrar called for a vote:

Board Member Taylor - Aye
Board Member Sair - Aye
Chairman Farrar - Aye
Board Member Spendlove - Aye
Board Member Palmer - Aye

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION

No request.

ADJOURNMENT

MOTION: Board Member Sair motioned to adjourn.

SECOND: The motion was seconded by Board Member Palmer.

VOTE: Chairman Farrar called for a vote:

Board Member Taylor - Aye
Board Member Sair - Aye
Chairman Farrar - Aye
Board Member Spendlove - Aye
Board Member Palmer - Aye

The vote was unanimous and the motion carried.

Meeting adjourned at 7:06 p.m.

Date Approved: _____

Approved BY: _____

Chairman | Michael Farrar

Attest BY: _____

Clerk/Recorder | Jenna Vizcardo

DRAFT