Audited Financial Statements, Supplemental Schedules, Reports Required by the Uniform Guidance, Supplementary Information Required by the Uniform Guidance, Schedule Required by the Uniform Guidance, and Other Report

Utah Associated Municipal Power Systems
Years Ended March 31, 2024 and 2023
With Independent Auditor's Report

Utah Associated Municipal Power Systems

Audited Financial Statements, Supplemental Schedules,
Reports Required by the Uniform Guidance,
Supplementary Information Required by the Uniform Guidance,
Schedule Required by the Uniform Guidance, and Other Report

Years Ended March 31, 2024 and 2023

Contents

Deloitte.

Deloitte & Touche LLP
111 South Main Street
Suite 1500
Salt Lake City, UT 84111-1919
USA

Tel:+1 801 328 4706
Fax:+1 801 366 7900
www.deloitte.com

Independent Auditor's Report

To Management and the Board of Directors of
Utah Associated Municipal Power Systems

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Utah Associated Municipal Power Systems (UAMPS), which comprise the statements of net position as of March 31, 2024 and 2023, and the related statements of revenues and expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of UAMPS as of March 31, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 UAMPS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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 UAMPS' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise UAMPS' basic financial statements. The accompanying schedules of project financial statements as of and for the year ended March 31, 2024 and schedule of expenditures of federal awards for the year ended March 31, 2024, as required by Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying schedules of project financial statements as of and for the year ended March 31, 2024 and schedule of expenditures of federal awards for the year ended March 31, 2024 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024 on our consideration of UAMPS' 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 UAMPS' 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 UAMPS' internal control over financial reporting and compliance.

Deloitte & Touche LLP

July 26, 2024

Utah Associated Municipal Power Systems

Management's Discussion and Analysis

Introduction

The following is a discussion and analysis of Utah Associated Municipal Power Systems' (UAMPS) financial performance and position, providing an overview of UAMPS' activities for the years ended March 31, 2024, 2023, and 2022.

Description of Business

UAMPS is a political subdivision of the state of Utah (the State). Its 50 members (the Members) include public power utilities in Utah, Idaho, Arizona, Nevada, New Mexico, California, and Wyoming. UAMPS' purposes include the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members. UAMPS is governed by its Board of Directors (the Board). The Board consists of directors representing Members that have entitlement shares in the various projects undertaken by UAMPS. UAMPS is a project-based organization and presently operates 16 separate projects that provide a variety of power supply, transmission and other services to the Members that participate in them. The Members make their own elections to participate in UAMPS' projects and are not obligated to participate in any particular project. In general, UAMPS and its Members that elect to participate in a project enter into a contract that specifies the services or product to be provided to UAMPS from the project, the payments to be made by participating Members in respect of the costs of the project, and other matters relating to the project.

Providing the Members with better methods to share resources and information about electric power issues is an important role for UAMPS. Through the Government and Public Affairs (GPA) project, the Members are able to participate in the political process at the state and federal levels and to monitor current political issues that could directly impact the future of the electric industry.

The Board has ultimate control of UAMPS, maintaining managerial, financial, and operational responsibility. UAMPS functions as an autonomous company supported solely from its own revenues. All assets, debts and obligations of UAMPS are separate and distinct from the assets, debts and obligations of the State. Upon dissolution of UAMPS, any monies not needed to liquidate UAMPS' obligations would be returned to its Members.

Highlights

UAMPS recorded an increase (decrease) in net position for the years ended March 31, 2024, 2023, and 2022 of $24.6 million, ($7.4) million, and ($4.7) million, respectively. After reported distributions to members, net position at March 31, 2024, 2023, and 2022 was $4.0 million, ($12.9) million, and ($1.3) million, respectively. The positive net position at March 31, 2024 is largely due to other nonoperating revenue at CFPP LLC (CFPP), which is a component unit of UAMPS, arising from a development cost reimbursement related to the termination of the Project, as defined and discussed further below. The negative net position at March 31, 2023 and 2022 is also largely due to the activities of CFPP. CFPP receives subsidies from a federal grant (i.e., nonoperating revenue) for a majority of its operating expenses, with the remaining expenses incurred being financed through a line of credit. To date, CFPP has had no operating revenues.

Overview of the Financial Statements

This report includes UAMPS' audited financial statements presented in accordance with accounting principles generally accepted in the United States. The audited financial statements include four components: statements of net position, statements of revenues and expenses and changes in net position, statements of cash flows, and notes to the financial statements. The statements of net position report assets, deferred outflows and inflows of resources, liabilities, and net position at the end of the fiscal year; the statements of revenues and expenses and changes in net position report the results of the organization and additions to net position due to the excess of revenue over expenses and decreases due to distributions. The statements of cash flows illustrate the cash that is received from and expended on various activities over the year.

UAMPS' financial statements were audited in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. All statements are prepared on the accrual basis of accounting. All revenues and expenses are recognized when earned or incurred regardless of when cash is received or spent.

UAMPS' financial statements were prepared on a blended basis to include CFPP LLC, which is a component unit of UAMPS. Intercompany transactions are eliminated in the statements of net position, the statements of revenues and expenses and changes in net position, and the statements of cash flows.

CFPP was created on October 21, 2020, to develop, design, acquire, construct, own, operate, maintain, improve, terminate, retire, and decommission a nuclear generating facility to be located at the Idaho National Laboratory of the U.S. Department of Energy, including all ancillary and related facilities, transmission facilities, water rights, fuel supplies, and other properties and interest necessary or desirable (the "Project").

CFPP and NuScale Power, LLC (NuScale), the developer of the small modular nuclear reactor technology, terminated and is winding down the Project on November 8, 2023, after it became apparent that the Project would not achieve necessary subscription. During the year ended March 31, 2024, NuScale reimbursed CFPP in the amount of $49.8 million for development costs incurred under the Development Costs Reimbursement Agreement, which amounts are subject to adjustment based on the total actual termination costs incurred. Termination costs to close out the project are expected to be incurred through the year ending March 31, 2025. CFPP is in the process of winding down the associated federal grant agreement with the U.S. Department of Energy.

Notes to the financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements.

Financial Analysis

Total cash and investments at March 31, 2024, 2023, and 2022, were $63.8 million, $76.0 million, and $73.0 million, respectively. All of UAMPS' investments are held in the Utah Public Treasurer's Investment Fund (PTIF).

The decrease of $12.2 million from March 31, 2023 to March 31, 2024 is due to a $4.6 million decrease in operating funds mainly due to timing of payments, a decrease of $7.0 million in CFPP cash, and a decrease in restricted funds of $3.4 million due to consumption of funds held for overhaul, reclamation, and debt service, offset by an increase of $2.8 million in member funds held.

The increase of $3.0 million from March 31, 2022 to March 31, 2023 is attributed to three main items. Cash increased by $12.3 million, due to the receipt of $5.0 million of pass-through funds at year end that was not disbursed until subsequent to year end, as well as receipt of payment from the Department of Energy for three invoices totaling $7.2 million. Restricted investments decreased by $4.5 million due to final debt service payment obligations being paid for Horse Butte Wind 2012A and San Juan 2008 and San Juan 2011 bond issues. In addition, the Payson project overhaul investment account decreased due to planned major outage expenditures. Unrestricted investments decreased by $4.9 million largely due to consumption of funds set aside for and used to pay energy imbalance charges.

At March 31, 2024, 2023, and 2022, accounts receivable totaled $40.6 million, $76.6 million, and $45.9 million, respectively. UAMPS accounts receivable decreased $7.2 million mainly due to significantly lower energy prices reducing the dollar amount of the member bills outstanding at March 31, 2024. CFPP accounts receivable decreased by $28.8 million due to the termination of the Project, which reduced the project requirements for cost share.

The increase of $30.7 million from March 31, 2022 to March 31, 2023 is due to two issues. While the composition of the invoices outstanding to membership at year end were similar, the balances were higher by $7.2 million due to higher market prices. Additionally, the outstanding amounts receivable for CFPP to the U.S. Department of Energy increased by $22.9 million, due to the increased amount of activity during fiscal year 2023.

At March 31, 2024, 2023, and 2022, capital assets, net, totaled $120.6 million, $135.1 million, and $144.7 million, respectively. The decrease from March 31, 2023 to March 31, 2024 of $14.5 million is a result of depreciation offset by additions to the Hunter Project and Nebo Project additions during planned outages. The decrease from March 31, 2022 to March 31, 2023 of $9.6 million is a result of depreciation offset by additions to the Hunter Project during a planned maintenance outage.

Effective April 1, 2022, UAMPS implemented and began to account for leases in its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. At March 31, 2024 and 2023, UAMPS had a right-to-use lease asset, net of amortization, of $4.7 million and $5.2 million, respectively, and a total lease liability (current and long-term) of $5.0 million and $5.4 million, respectively.

At March 31, 2024, 2023, and 2022, accounts payable and accrued liabilities totaled $45.7 million, $89.3 million, and $51.6 million, respectively. The decrease of $43.6 million is due to decreased energy costs on invoices outstanding at March 31, 2024 for UAMPS, and decreases to project costs for CFPP due to the project termination resulting in reduced activity. The increase of $37.7 million from March 31, 2022 to March 31, 2023 is due to a large payable outstanding to a vendor at year end for UAMPS of $5.0M, as well as increased commodity prices. Additionally, CFPP had increased amounts outstanding to vendors of $31.8 million due to increases in activity in the Project.

At March 31, 2024, 2023, 2022, debt (current and long-term) totaled $122.9 million, $138.4 million, and $157.7 million, respectively. The decrease of $15.5 million from March 31, 2023 to March 31, 2024 was due to scheduled principal payments. Similarly, the decrease of $19.3 million from March 31, 2022 to March 31, 2023 was due to scheduled principal payments. There were no new issues or refinancing during fiscal year 2024 and 2023.

The table summarizes UAMPS' financial position at March 31, 2024, 2023, and 2022:

	2024	**2023**	**2022**
		(In Thousands)	
Current assets	$ 72,065	$ 118,060	$ 82,641
Restricted assets	38,078	41,620	46,104
Capital assets, net	120,599	135,119	144,659
Other assets	4,679	5,214	-
Total assets	235,421	300,013	273,404
Deferred outflows of resources	1,833	2,325	2,935
Total assets and deferred outflows of resources	$ 237,254	$ 302,338	$ 276,339
Current liabilities	$ 71,536	$ 105,457	$ 87,417
Liabilities payable from restricted assets	16,318	16,378	19,005
Long-term debt, less current portion	107,217	122,854	139,608
Long-term line of credit	-	32,000	-
Other liabilities	20,096	22,205	18,991
Total liabilities	215,167	298,894	265,021
Deferred inflows of resources	18,101	16,309	12,584
Net position	3,986	(12,865)	(1,266)
Total liabilities, deferred inflows of resources, and net position	$ 237,254	$ 302,338	$ 276,339

Financial Analysis of Operations

Total revenue (operating and nonoperating) for the years ended March 31, 2024, 2023, and 2022, was $401.0, $402.2 million, and $270.4 million, respectively.

The total revenue decrease from March 31, 2023 to March 31, 2024 was $1.2M. The decrease is made up of three main factors. First, UAMPS revenue from members decreased by $77.7 million due to significant decreases in market energy and gas prices. Second, this decrease was offset by nonoperating subsidies from federal grants which increased by $25.9 million on increased project activity in CFPP. Finally, nonoperating revenue for CFPP of $49.8 million was recognized during fiscal 2024 due to a reimbursement of project development costs upon project termination from NuScale, which is included in subsidies from federal grants and other entities.

The increase from the year ended March 31, 2022 to the year ended March 31, 2023 of $131.8 million is due to two factors. First, revenue to membership increased by $101.7 million due to higher prices for energy and gas, as well as an increase in megawatt hours. Second, the billings to the U.S. Department of Energy increased by $29.2 million due to increased work and activity within the CFPP project.

Investment and other income, net for the years ended March 31, 2024, 2023, and 2022, was $1.9 million, $1.1 million, and $0.2 million, respectively. The increase from the year ended March 31, 2023 to the year ended March 31, 2024 as well as the increase for the year ended March 31, 2022 to the year ended March 31, 2023 is due to increased interest rates at the State PTIF funds.

Cost of power for the years ended March 31, 2024, 2023, and 2022 was $219.3 million, $290.5 million, and $193.4 million, respectively. The decrease of $71.2 million from the year ended March 31, 2023 to the year ended March 31, 2024 is due to lower megawatt hours in the Pool project, as well as much lower prices for both energy and gas. The increase of $97.1 million from the year ended March 31, 2022 to the year ended March 31, 2023 was due to higher megawatt hours in Firm and Pool projects and higher prices for both energy and gas.

Other expenses for the years ended March 31, 2024, 2023, and 2022 were $157.2 million, $119.1 million, and $81.7 million, respectively. The increase of $38.1 million from the year ending March 31, 2023 to the year ending March 31, 2024 is mainly due to the increased costs expended for the CFPP project. The increase of $37.4 million from the year ended March 31, 2022 to the year ended March 31, 2023 is principally due to an increase in general and administrative expenses associated with increased activity in the CFPP project.

The table below summarizes UAMPS' total revenues and expenses and changes in net position for fiscal years 2024, 2023, and 2022:

	2024	2023	2022
	(In Thousands)		
Revenues:			
Power sales	$ 259,419	$ 337,522	$ 236,063
Other operating revenues	1,084	690	449
Investment and other income, net	1,941	1,118	165
Other nonoperating revenues	138,571	62,881	33,699
Total revenues	401,015	402,211	270,376
Expenses:			
Cost of power	219,270	290,495	193,352
Other expenses	157,151	119,097	81,676
Total expenses	376,421	409,592	275,028
Change in net position	24,594	(7,381)	(4,652)
Net position at beginning of year	(12,865)	(1,265)	8,386
Distributions	(7,743)	(4,219)	(4,999)
Net position at end of year	$ 3,986	$ (12,865)	$ (1,265)

Cash Flow and Liquidity

UAMPS' sources of cash principally include power sales, services, issuance of debt and investment income. The cash balance at March 31, 2024, 2023, and 2022, was $3.2 million, $14.8 million, and $2.5 million, respectively. The amount will fluctuate primarily due to timing of the transfer from the revolving line of credit and cash transfers.

To manage cash flow requirements, UAMPS has revolving lines of credit with two financial institutions with total available cash lines of $32.0 million at March 31, 2024. The rates from both financial institutions are variable with one being in relation to Secured Overnight Financing Rate (SOFR) and one in relation to U.S. Treasury Rate (USTR). The outstanding balance on the revolving lines of credit (current liabilities) was $12.2 million, $13.9 million, and $16.1 million as of March 31, 2024, 2023, and 2022, respectively. The decrease of $1.7 million from the year ending March 31, 2023 to the year ending March 31, 2024 was due to timing of items presented for payment. Similarly, the decrease of $2.2 million from March 31, 2022 to March 31, 2023 was due to timing of items presented for payment.

On September 15, 2021, UAMPS obtained a $35.0 million line of credit with another financial institution to finance net development costs of the CFPP project incurred by CFPP. Amounts drawn bear interest at variable rates, one in relation to a taxable short-term bank yield index and the other in relation to a tax-exempt short-term bond index. On February 28, 2023, the line was increased to $85.0 million. On March 29, 2024, the line was reduced to $25.0 million, and the taxable interest rate index was changed from Bloomberg Short-Term Bank Yield (BSBY) to Secured Overnight Financing Rate (SOFR). The rate is variable based upon both the Securities Industry and Financial Markets Association (SIFMA). The maturity date of the Bank of America line of credit is March 28, 2025. The outstanding balance was $11.5 million, $32.0 million, and $17.4 million at March 31, 2024, 2023, and 2022, respectively. The decrease of $20.5 million from year ended March 31, 2023 to March 31, 2024 is due to decreased project activity as the CFPP project winds down. The increase of $14.6 million from March 31, 2022 to March 31, 2023 was due to an increase in the non-federal share of costs for the CFPP project that are being financed with the line of credit.

Budgets and Billing

The UAMPS Board is presented a budget for its approval prior to the start of each fiscal year and power billings are based on that budget. Monthly reports are presented to the Board describing the operating costs compared to the budget and the revenues derived from the billing process. Any deviations are explained and the budgets are amended as necessary.

Western Electric Energy Markets

Western markets have remained softer than previous years due to moderate winter conditions leading to high storage volumes of natural gas. Risk of wildfires affecting wholesale delivery of energy to UAMPS customers and pricing stability continue to be of concern. Utilities across the west have implemented Wildfire & Public Safety Power Shutoff procedures that could take UAMPS and its members out of service for an indefinite period of time. Transition from a El Nino weather year to a La Nina in such a rapid fashion is of note. A La Nina causes the 2024/2025 winter season to be forecasted colder than average, which could drive additional demand on the natural gas for electric generation fleet and gas supply.

The California Independent System Operator (CAISO) Extended Day-Ahead Market (EDAM) and Southwest Power Pool (SPP) Markets + introduced tariffs with Federal Energy Regulatory Commission (FERC). CAISO EDAM has received FERC approval and PacifiCorp is moving forward with entry by May 2026 with other utilities also announcing planned participation. Because UAMPS is embedded within the PacifiCorp Balancing Area Authority (BAA), UAMPS is obligated to meet the new EDAM requirements per the PacifiCorp EDAM Tariff. There will be significant operational changes within UAMPS to meet this obligation.

Prices in the west continue to be driven by renewables in the shoulder seasons and natural gas in the summer and winter.

Loads in the UAMPS footprint were 4% less than the previous year, as a result of milder weather. Incremental positive growth is expected going forward.

Requests for Information

This financial report is designed to provide a general overview of UAMPS' finances for all those with an interest in UAMPS' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Controller, UAMPS, 155 North 400 West, Suite #480, Salt Lake City, Utah 84103.

Utah Associated Municipal Power Systems

Statements of Net Position

	March 31, 2024	March 31, 2023
Assets		
Current assets:		
Cash	$ 3,220,365	$ 14,783,720
Receivables	40,647,214	76,563,425
Prepaid expenses and deposits	5,730,532	7,137,177
Investments	22,466,581	19,575,536
Total current assets	72,064,692	118,059,858
Restricted assets:		
Interest receivable	778	698
Investments	38,077,373	41,619,577
Total restricted assets	38,078,151	41,620,275
Capital assets:		
Generation	421,987,850	420,639,773
Transmission	86,357,062	86,357,062
Furniture and equipment	2,194,668	1,783,900
Total	510,539,580	508,780,735
Less accumulated depreciation	(390,330,694)	(374,184,379)
Net	120,208,886	134,596,356
Construction work in progress	390,000	522,671
Capital assets, net	120,598,886	135,119,027
Other noncurrent assets:		
Right to use lease asset, net	4,679,113	5,213,869
Deferred outflows of resources		
Defeasance costs, net of accumulated amortization	1,832,854	2,324,570
Total assets and deferred outflows of resources	$ 237,253,696	$ 302,337,599

(Continued)

Utah Associated Municipal Power Systems

Statements of Net Position

	March 31, 2024	March 31, 2023
Liabilities		
Current liabilities:		
Accounts payable	$ 30,999,702	$ 65,664,377
Accrued liabilities	14,681,474	23,680,087
Lines of credit	23,700,000	13,900,000
Current portion of lease liability	416,461	391,644
Current portion of unearned revenue	1,737,462	1,820,459
Total current liabilities	71,535,099	105,456,567
Liabilities payable from restricted assets:		
Accrued interest payable	681,378	828,168
Current portion of long-term debt	15,636,920	15,549,222
Total liabilities payable from restricted assets	16,318,298	16,377,390
Long-term debt:		
Bonds payable, less current portion	107,217,204	122,854,095
Long-term line of credit	-	32,000,000
Total long-term debt	107,217,204	154,854,095
Other liabilities:		
Lease liability, less current portion	4,572,659	4,989,120
Unearned revenue, less current portion	15,522,815	17,216,082
Total other liabilities	20,095,474	22,205,202
Deferred inflows of resources		
Net costs advanced from billings to members	18,101,360	16,309,382
Net position		
Net investment in capital assets	7,030,598	10,346,501
Restricted for project costs	11,452,431	12,653,833
Unrestricted	(14,496,768)	(35,865,371)
Total net position	3,986,261	(12,865,037)
Total liabilities, deferred inflows of resources, and net position	$ 237,253,696	$ 302,337,599

See accompanying notes to the financial statements. (Concluded)

Utah Associated Municipal Power Systems

Statements of Revenues and Expenses and Changes in Net Position

	Year Ended March 31,	
	2024	**2023**
Operating revenues:		
Power sales	$ 259,419,132	$ 337,522,095
Other	1,083,862	690,577
Total operating revenues	260,502,994	338,212,672
Operating expenses:		
Cost of power	219,269,993	290,494,423
In lieu of ad valorem taxes	607,706	776,366
Depreciation and amortization	16,988,952	16,292,276
General and administrative	131,107,192	92,348,953
Total operating expenses	367,973,843	399,912,018
Operating loss	(107,470,849)	(61,699,346)
Nonoperating revenues (expenses):		
Interest expense	(6,654,981)	(5,954,160)
Investment and other income, net	1,940,802	1,117,562
Recognition of deferred costs and revenues	(1,791,978)	(3,725,319)
Subsidies from federal grants and other entities	138,571,367	62,880,700
Total nonoperating revenues, net	132,065,210	54,318,783
Change in net position	24,594,361	(7,380,563)
Net position at beginning of year	(12,865,037)	(1,265,149)
Distributions to members	(7,743,063)	(4,219,325)
Net position at end of year	$ 3,986,261	$ (12,865,037)

See accompanying notes to the financial statements.

Utah Associated Municipal Power Systems

Statements of Cash Flows

	Year Ended March 31,	
	2024	**2023**
Operating activities		
Cash received from customers	$ 265,906,307	$ 328,156,130
Cash payments to suppliers for goods and services	(382,673,124)	(333,476,715)
Cash payments to employees for services	(9,844,392)	(8,991,063)
Cash payments for ad valorem taxes	(724,017)	(734,055)
Net cash used in operating activities	(127,335,226)	(15,045,703)
Capital and related financing activities		
Disbursements for capital assets	(1,934,055)	(6,345,766)
Proceeds from disposal of capital assets	-	128,092
Principal disbursement on long-term debt	(14,395,511)	(17,790,409)
Interest disbursements	(7,289,930)	(6,748,187)
Payments on lease liabilities	(565,451)	(554,364)
Distribution to members	(7,743,062)	(4,219,325)
Net cash used in capital and related financing activities	(31,928,009)	(35,529,959)
Noncapital financing activities		
Subsidies received from federal grants and other entities	167,308,000	40,048,223
Draws on lines of credit	336,897,700	301,007,884
Disbursements on lines of credit	(359,097,700)	(288,639,741)
Net cash provided by noncapital financing activities	145,108,000	52,416,366
Investing activities		
Cash received from investments	260,687	5,847,304
Cash paid for investments	(3,151,732)	(993,051)
Restricted assets:		
Cash received from investments	5,581,066	9,644,918
Cash paid for investments	(2,038,863)	(5,161,086)
Interest income received	1,940,722	1,117,562
Net cash provided by investing activities	2,591,880	10,455,647
(Decrease) increase in cash	(11,563,355)	12,296,351
Cash at beginning of year	14,783,720	2,487,369
Cash at end of year	$ 3,220,365	$ 14,783,720

(Continued)

Utah Associated Municipal Power Systems

Statements of Cash Flows

	Year Ended March 31,	
	2024	2023
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (107,470,849)	$ (61,699,346)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	16,988,952	16,292,276
Amortization of unearned revenue	(1,776,264)	(2,270,490)
Change in receivables	7,179,578	(7,786,052)
Change in prepaid expenses and deposits	1,406,645	2,642,223
Change in accounts payable	(34,664,675)	30,864,830
Change in accrued liabilities	(8,998,613)	6,910,856
Net cash used in operating activities	$ (127,335,226)	$ (15,045,703)

See accompanying notes to the financial statements. (Concluded)

1. Summary of Significant Accounting Policies

Organization and Purpose

Utah Associated Municipal Power Systems (UAMPS), a separate political subdivision of the state of Utah, was established pursuant to the provisions of the Utah Interlocal Co-operation Act of November 1980, and was organized under the Amended and Restated Utah Associated Municipal Power Systems Agreement for Joint Cooperative Action. UAMPS' membership consists of 35 municipalities, 1 joint action agency, 2 electric service district, 1 public utility district, 2 water conservancy districts, 5 co-operatives, 1 municipal utility district, 1 utility improvement district and 2 nonprofit corporations (collectively, the Members). The Members are located in Utah, Idaho, Arizona, Nevada, New Mexico, California, and Wyoming. UAMPS is a separate legal entity that possesses the ability to establish its own budget, incur debt, sue and be sued, and own and lease property. No other governmental units in Utah exercise significant control over UAMPS. As such, UAMPS is not a component unit as defined by the Governmental Accounting Standards Board (GASB) in its Section 2100, *Defining the Financial Reporting Entity*.

CFPP LLC (CFPP) is a component unit of UAMPS. CFPP was created as an instrumentality of UAMPS on October 21, 2020, to develop, design, acquire, construct, own, operate, maintain, improve, terminate, retire, and decommission a nuclear generating facility to be located at the Idaho National Laboratory of the U.S. Department of Energy, including all ancillary and related facilities, transmission facilities, water rights, fuel supplies, and other properties and interest necessary or desirable (the "Project").

CFPP and NuScale Power, LLC (NuScale), the developer of the small modular nuclear reactor technology, terminated and began winding down the Project on November 8, 2023, after it became apparent that the Project would not achieve necessary subscription. During the year ended March 31, 2024, NuScale reimbursed CFPP in the amount of $49.8 million for development costs incurred under the Development Costs Reimbursement Agreement, which amounts subject to adjustment based on the total actual termination costs incurred. This amount is included in subsidies from federal grants and other entities in the accompanying statements of revenues and expenses and changes in net position. Termination costs to close out the project are expected to be incurred through the year ending March 31, 2025. CFPP is in the process of winding down the federal grant agreement with the U.S. Department of Energy.

UAMPS' purposes include the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. The accounting and reporting policies of UAMPS conform with the accounting rules prescribed by the GASB.

Elimination of Intercompany Transactions

UAMPS results are blended with its component unit CFPP. Intercompany transactions are eliminated in the statements of net position, the statements of revenues and expenses and changes in net position, and the statements of cash flows.

Revenue

UAMPS distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the organization. The principal operating revenues and expenses of UAMPS are associated with the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members. All other revenues and expenses, such as subsidies from federal grants and other entities, interest income, and interest expense and are reported as nonoperating revenues and expenses.

Investments

All investments are recorded at fair value. UAMPS' investment in the Utah Public Treasurer's Investment Fund (PTIF) has a fair value equivalent to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act.

Receivables

Receivables consist primarily of current power billings to Members and receivables from the U.S. Department of Energy related to the federal grant activity of CFPP.

Capital Assets

Generation assets, transmission assets, furniture, and equipment, with an initial cost of more than $500, are stated at cost less accumulated depreciation. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the period incurred. Leasehold improvements are capitalized and amortized over the lesser of the asset life or lease term. Depreciation is calculated using the straight-line method at rates that are designed to depreciate the cost of the assets over estimated useful lives ranging from three to 26 years.

Net Costs Advanced or to be Recovered Through Billings to Members

Billings to Members are designed to recover power costs as defined by the power sales contracts, which principally include current operating expenses, scheduled debt principal, and interest and deposits into certain funds. Pursuant to GASB Re10, *Regulated Operations*, expenses determined in accordance with generally accepted accounting principles (GAAP), which are not currently billable as power costs, or amounts billed as power costs and recovered in advance of being recognized for GAAP are recorded net as deferred inflows of resources in the accompanying statements of net position. For an entity to report under GASB Re10, an entity's rates must be designed to recover its costs of providing services, and the entity must be able to collect those rates from customers. If it were determined, whether due to competition or regulatory action, that these standards no longer applied, UAMPS could be required to write off its regulatory deferred inflows of resources. Management believes that UAMPS currently meets the criteria for continued application of GASB Re10, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

Income Taxes

UAMPS and its component unit, CFPP, are not subject to federal or state income taxes under provisions of Section 115 of the Internal Revenue Code.

Unearned Revenue

Certain participants of the Payson project, the San Juan project, the Hunter project, the Central-St. George project, and the Horse Butte Wind project have elected to prepay certain costs of acquisition and debt service during the refinancing and/or construction of their projects. These prepayments, which represent the portion of debt service costs that would be applicable to the participant's entitlement share in each of the respective project's future power generation capability, have been treated as unearned revenue and are amortized to revenue over the life of the respective bond issues.

Risk Management

UAMPS is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters and insures against these losses. UAMPS purchases plant and machinery insurance from a commercial carrier. There have been no significant reductions in insurance coverage from that in the prior year, and settlements have not exceeded insurance coverage for the past three fiscal years. Additionally, UAMPS purchases the following categories of insurance: Property, which includes Earthquake and Flood, General Liability, and Commercial Auto; Difference in Conditions, which includes Earthquake and Flood, Umbrella, Workers Compensation, Directors and Officers/Employment Practices Liability and Crime.

Net Position

Net position is classified into three components:

- Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, other long-term borrowings, or deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- Restricted for project costs: This component of net position consists of amounts subject to external constraints on their use imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

- Unrestricted: This component of net position consists of amounts that do not meet the definition of restricted for project costs or net investment in capital assets. As of March 31, 2024 and 2023, UAMPS reported a negative balance in unrestricted net position. The deficit is a result of a long-term prepayment of future power sales, as well as unreimbursed costs incurred by CFPP.

2. Power Sales and Transmission Service Contracts Relating to Bonds

UAMPS has entered into power sales and/or transmission service contracts (the "Contracts") with various participants (the "Purchasers"). The Contracts are as follows:

- UAMPS has contracted with five municipalities to provide transmission capabilities from the Central-St. George project to deliver electric power to the Purchasers. Each contract term extends, at a minimum, to the date all principal and interest on the Series 2016 and 2018 Bonds have been paid.

- UAMPS has contracted with 14 municipalities, one public utility district, and one electric service district in the Payson project to supply power from the generating unit. Each contract term extends, at a minimum, to the date all principal and interest on the 2013 and 2019 Bonds have been paid.

- UAMPS has contracted with 21 municipalities, one joint action agency, one co-op, and one public utility district in the Horse Butte Wind project to supply power from the project. Each contract term extends, at a minimum, to the date all principal and interest on the 2012 and 2017 Bonds have been paid.

- UAMPS has contracted with six municipal utilities of one California public utility district in the Veyo Heat Recovery project to supply power from the project. Each contract term extends, at a minimum, to the date all principal and interest on the 2014 Bonds have been paid.

3. Net Costs Advanced from Billings to Members

	For the Years Ended March 31,		Accumulated Total as of March 31,	
	2024	2023	2024	2023
Items not currently billable to Members/ (Costs advanced from billings to Members)				
Depreciation, accretion and amortization of bond issuance costs	$ 16,988,952	$ 16,292,276	$ 450,123,461	$ 433,134,509
Refunding charge on refunding/defeasance of revenue bonds	-	-	40,273,931	40,273,931
Principal collected from certain receivables	-	-	8,151,148	8,151,148
Excess bond proceeds (used to pay Interest/CWIP)	-	-	13,604,822	13,604,822
Principal amounts of notes	-	-	1,750,000	1,750,000
Cost recovery on off-system sales losses	-	-	40,640,144	40,640,144
Estimated future loss on contracts	-	-	10,384,038	10,384,038
Amortization of deferred revenue	(1,776,263)	(2,270,490)	(49,780,853)	(48,004,590)
Utility plant renewals and replacements	(3,898,362)	(6,217,672)	(126,474,416)	(122,576,054)
Plant inventory	(126,375)	114,632	(812,861)	(686,486)
Principal amounts of debt service	(14,425,660)	(14,679,360)	(418,971,858)	(404,546,198)
Amortization of bond premium	(1,153,681)	(1,459,632)	(24,427,113)	(23,273,432)
Major overhaul reserve payments	2,487,103	4,228,555	(2,121,336)	(4,608,439)
Principal payments of lease payable	(391,644)	(367,861)	(759,505)	(367,861)
Amortization of defeased debt costs	491,715	610,885	4,345,960	3,854,245
Amortization of prepaid energy	-	-	35,106,577	35,106,577
Accrued personal leave	12,237	23,348	866,501	854,264
Net costs advanced from billings to members	$ (1,791,978)	$ (3,725,319)	$ (18,101,360)	$ (16,309,382)

4. Capital Assets

UAMPS' interest in two generating units represents a 14.6% and a 7.0% undivided interest in the PacifiCorp Hunter II and the Public Service Company of New Mexico San Juan Unit IV electric generating units (the "Generating Units"), respectively. The interest is recorded based on UAMPS' acquisition cost. The operating life has been estimated to end in 2042, based upon a third-party review. The San Juan Unit IV shut down in September 2022.

UAMPS has a 15.0% entitlement share in the transmission capability of a 105-mile 345 kilovolts transmission line constructed between Craig, Colorado and the Bonanza Generation Station in Uintah County, Utah. UAMPS is responsible for a like percentage of the costs of acquisition, construction, operation, and maintenance of the line. UAMPS has also purchased an entitlement share of 54 megawatts of transmission capability on the Bonanza line, which extends from the Bonanza Generation Station to the Mona, Utah Substation.

The Central-St. George project, located in Washington County, Utah, owned and operated by UAMPS, consists of 138 kilovolts transmission facilities, including a 345/138 kilovolts electric substation, approximately 25 miles of 138 kilovolts transmission line, a 138-kilovolt switching yard, a 138/69 kilovolts electric substation, and approximately 16 miles of 69 kilovolts transmission line to provide service to four of its Members in Washington County. Pursuant to the terms of the Joint Operating Agreement, UAMPS and PacifiCorp have undertaken the Phase 3 upgrade to this system, which is the reconstruction of an existing line. The line has been removed, and replaced with twenty miles of new double circuit 345-kilovolt transmission line. The line has been constructed at 345-kilovolt standards and initially operating at 138 kilovolts. The project was placed into service in April 2010.

In May 2018, the Central-St. George project completed a construction project to energize the Fourth Circuit. There are three existing energized 138-kilovolt lines at Red Butte/Central, and these were shifted to terminate the Fourth Circuit at Central and energize it at 138 kilovolts. The existing Red Butte/Central substation was configured to accommodate the two UAMPS 138-kilovolt lines out of Red Butte to St. George and the remaining two joint-owned 345 kilovolts (energized at 138 kilovolts) lines out of Central to St. George. At the Red Butte Substation, a new 138-kilovolt circuit breaker was added to allow the shifting of the three existing circuits and the addition of the Fourth Circuit. At the St. George substation, a limited duration 138-kilovolt line was constructed, and one 138 kilovolt circuit breaker was added.

The Payson project is a combined-cycle, natural-gas-fired, electric-generating facility with a nominal generating capacity of 143 megawatts located in Payson, Utah, owned and operated by UAMPS. The Payson project also includes gas pipelines, electric transmission lines, and other properties, and facilities and equipment necessary for the operation of the generating facility. Engineering, equipment acquisition, and other pre-construction work on the Payson project began in 2002 and was completed in June 2004.

The Washington-Hurricane Generator Set consists of three generators. The generator set is rated 1,900 kilowatts continuous, 3,000-foot altitude, 120 degrees, 12,740 volts, 3 phases, and 1,800 revolutions per minute. The capacity of these units is sold to the respective purchasers. The generator set was purchased and placed into service in May 2007.

The Washington-Santa Clara Generator Set consists of two generators. The generator set is rated 1,900 kilowatts continuous, 3,000-foot altitude, 120 degrees, 12,740 volts, 3 phases, and 1,800 revolutions per minute. The capacity of these units is sold to the respective purchasers. The generator set was purchased and placed into service in June 2008.

The Veyo Heat Recovery Project is a 7.8-megawatt recovered-energy generation system that is constructed adjacent to a natural gas compressor station owned and operated by Kern River Gas Transmission Company in Southwestern Utah, near the community of Veyo. The recovered-energy generation system interconnects with the Veyo Compressor Station and utilizes the waste heat in the generation of electricity. The project was placed in service in May 2016.

UAMPS purchased the Horse Butte Wind Farm in March 2018. The project is a 57.6-megawatt wind project comprised of 32 Vestas V100 wind turbine generators rated at 1.8 megawatts each, located in Bonneville County, Idaho.

	Generation	Transmission	Furniture & Equipment	Construction Work-In Progress	Total
Balance, April 1, 2023	$ 420,639,773	$ 86,357,062	$ 1,783,900	$ 522,671	$ 509,303,407
Capital additions	1,531,725	-	535,001	-	2,066,726
Sales, retirements	(183,648)	-	(124,233)	(132,671)	(440,552)
Balance, March 31, 2024	$ 421,987,850	$ 86,357,062	$ 2,194,668	$ 390,000	$ 510,929,581
Accumulated depreciation, April 1, 2023	$ (302,011,899)	$ (71,204,734)	$ (967,746)	$ -	$ (374,184,379)
Depreciation expense	(14,628,385)	(1,366,785)	(459,026)	-	(16,454,197)
Retirements	183,649	-	124,233	-	307,881
Accumulated depreciation, March 31, 2024	$ (316,456,636)	$ (72,571,519)	$ (1,302,540)	$ -	$ (390,330,694)
Average depreciation rate	3.5 %	1.6 %	23.1 %	- %	3.2 %

	Generation	Transmission	Furniture & Equipment	Construction Work-In Progress	Total
Balance, April 1, 2022	$ 414,825,741	$ 86,300,584	$ 1,568,532	$ 742,236	$ 503,437,093
Capital additions	6,168,511	56,478	340,338	386,013	6,951,340
Sales, retirements	(354,479)	-	(124,970)	(605,578)	(1,085,027)
Balance, March 31, 2023	$ 420,639,773	$ 86,357,062	$ 1,783,900	$ 522,671	$ 509,303,406
Accumulated depreciation, April 1, 2022	$ (288,226,118)	$(69,843,083)	$ (709,016)	$ -	$ (358,778,217)
Depreciation expense	(14,012,169)	(1,361,651)	(383,700)	-	(15,757,520)
Retirements	226,388	-	124,970	-	351,358
Accumulated depreciation, March 31, 2023	$ (302,011,899)	$(71,204,734)	$ (967,746)	$ -	$ (374,184,379)
Average depreciation rate	3.4 %	1.6 %	22.9 %	- %	3.1 %

5. Investments

At March 31, 2024 and 2023, UAMPS had the following total investments:

	2024	2023
Current:		
Utah Public Treasurer's Investment Fund	$ 22,466,581	$ 19,575,536
Restricted:		
Utah Public Treasurer's Investment Fund	$ 38,077,373	$ 41,619,577

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. UAMPS policy for reducing its exposure to credit risk is to comply with the bond covenants that allow UAMPS to invest in U.S. government securities, obligations of any state, including the Utah Public Treasurer's Investment Fund (PTIF), certificates of deposit and bankers acceptances of banks meeting certain minimum requirements and repurchase agreements.

The PTIF operates and reports to the participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the carrying value of the pool shares. The PTIF was unrated at March 31, 2024.

At March 31, 2024 and 2023, UAMPS had the following investments and quality ratings:

		Quality Rating	
	2024	AAA/Aaa/AA+	Unrated
Utah Public Treasurer's Investment Fund	$ 60,543,954	$ -	$ 60,543,954
Total	$ 60,543,954	$ -	$ 60,543,954

		Quality Rating	
	2023	AAA/Aaa/AA+	Unrated
Utah Public Treasurer's Investment Fund	$ 61,195,113	$ -	$ 61,195,113
Total	$ 61,195,113	$ -	$ 61,195,113

Fair Value

UAMPS categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. As of March 31, 2024 and 2023, UAMPS had fair value measurements as shown below:

	2024 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Utah Public Treasurer's Investment Fund	$ 60,543,954	$ -	$ -	$ 60,543,954
	$ 60,543,954	$ -	$ -	$ 60,543,954

	2023 Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Utah Public Treasurer's Investment Fund	$ 61,195,113	$ -	$ -	$ 61,195,113
	$ 61,195,113	$ -	$ -	$ 61,195,113

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance, and are not collateralized, are collateralized by the pledging financial institution, or is collateralized by the pledging financial institution's trust department or agent, but not in the depositor governments name. UAMPS deposits are insured up to $250,000 by the Federal Deposit Insurance Corporation. At March 31, 2024 and 2023, UAMPS had $3.0 million and $14.5 million, respectively, exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. UAMPS uses the specific identification method for identifying interest rate risk. UAMPS policy for reducing its exposure to interest rate risk is to comply with bond covenants as previously discussed.

6. Cash

The cash balance at March 31, 2024 and 2023 of $3.2 million and $14.8 million, respectively, consisted of deposits with banks.

As of March 31, 2024 and 2023, there was no balance in restricted cash.

7. Debt

Pursuant to the Horse Butte Wind Project Revenue Bond Resolution, the Central-St. George Transmission Project Revenue Bond Resolution, the Payson Power Project Bond Resolution, the Member Services Revenue Bond Resolution, and the Veyo Heat Recovery Project Revenue Bond Resolution (collectively, the "Resolutions"), all supplemented from time to time, UAMPS has issued the following revenue and refunding revenue bonds and notes payable:

Series	Original Issue	Interest Rate	Original Maturity Date	Principal Outstanding March 31, 2024	2023
Horse Butte Wind 2017A					
Serial	$ 38,480,000	5.00 %	2023–2032	$ 35,420,000	$ 38,480,000
Horse Butte Wind 2017B					
Serial	32,455,000	5.00 %	2026–2037	32,455,000	32,455,000
Horse Butte Wind 2017C					
Taxable component	460,000	2.85 %	2023	-	460,000
Term	480,000	3.05 %	2024	480,000	480,000
Term	495,000	3.05 %	2025	495,000	495,000
	1,435,000				
Central-St. George 2016					
Term	25,880,000	2.53 %	2016–2027	12,655,000	15,625,000
Central-St. George 2018					
Term	2,236,374	3.85 %	2018–2027	166,707	412,219
Payson 2013					
Serial	2,025,000	1.76 %	2014–2023	-	220,000
Payson 2019					
Serial	26,770,000	2.05%–2.50%	2020–2025	13,220,000	19,605,000

(Continued)

Series	Original Issue	Interest Rate	Original Maturity Date	Principal Outstanding March 31, 2024	2023
Veyo 2014					
Serial	$ 12,990,000	3.00%–5.00%	2017–2034	$ 8,465,000	$ 9,125,000
Term	1,060,000	4.00 %	2035	1,060,000	1,060,000
Term	1,100,000	4.00 %	2036	1,100,000	1,100,000
Term	1,145,000	4.00 %	2037	1,145,000	1,145,000
Term	1,190,000	4.00 %	2038	1,190,000	1,190,000
Term	1,240,000	5.00 %	2039	1,240,000	1,240,000
Term	1,300,000	5.00 %	2040	1,300,000	1,300,000
Term	1,365,000	5.00 %	2041	1,365,000	1,365,000
	$ 8,400,000				
Hurricane City—2013					
Term	2,009,000	2.30 %	2014–2027	642,000	794,000
Washington City—2013					
Term	996,000	2.30 %	2014–2027	318,000	393,000
Washington City—2016					
Term	1,968,000	2.59 %	2017–2029	905,000	1,073,000
				113,621,707	128,017,219
Plus unamortized bond premium				9,232,417	10,386,098
Less current portion				15,636,920	15,549,222
Long-term portion				$ 107,217,204	$ 122,854,095

(Concluded)

The Horse Butte Wind Project Revenue and Refunding Series 2017A Bonds and the Series 2017B Bonds (collectively, “Series 2017 Bonds”) maturing on or after September 1, 2028, are subject to redemption prior to maturity on or after March 1, 2028, in whole or in part on any date, at a redemption price equal to 100% of the principal amount of Series 2017 Bonds or portion thereof to be so redeemed plus accrued interest to the redemption date.

The Horse Butte Wind Project Revenue and Refunding Series 2017C Bonds (“Series 2017C Bonds”) are subject to redemption prior to the maturity at the option of UAMPS, in whole or in part, and if in part among maturities to be designated by UAMPS, on any date, at a Redemption Price, calculated by a quotation agent selected by UAMPS in a commercially reasonable manner, equal to the greater of 100% the principal amount of the Series 2017C Bonds to be redeemed; and the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2017C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2017C Bonds are to be redeemed, discounted to the date on which such Series 2017C Bonds are to be redeemed on a semi-annual basis, assuming a 360 day year consisting of twelve 30 day months, at the Treasury

Rate plus 10 basis points; plus, in each case, accrued interest on the Series 2017C Bonds to be redeemed to the redemption date. The Series 2017C Bonds maturing on September 1, 2025 are subject to mandatory sinking fund redemption on September 1, 2024 at a redemption price equal to 100% of the principal amount of each Series 2017C Bond to be so redeemed, plus accrued interest to the redemption date.

The Central-St. George Transmission Project Revenue and Refunding Bond, Series 2016, totaling $25.8 million at 2.53% interest, may be prepaid in whole or in part without penalty.

The Central-St. George Transmission Revenue Bonds Series 2018 ("Series 2018 Bonds"), totaling $2.2 million at 3.85% interest, were previously partially prepaid at UAMPS' election. The Series 2018 Bonds allowed for a single prepayment in a maximum principal amount of $0.5 million, or any lesser principal amount, including accrued interest, without premium or penalty. Principal prepaid shall be applied to reduce remaining principal payments on the Series 2018 Bonds in reverse chronological order. UAMPS applied the prepayment of $0.8 million to the Bonds maturing December 1, 2024 and after.

The Payson Power Project Revenue Bonds Series 2013, totaling $2.0 million at 1.76% interest are not subject to optional redemption prior to maturity.

The Payson Power Project Refunding Revenue Bonds, Series 2019 ("Series 2019 Bonds"), totaling $26.7 million, are subject to redemption prior to maturity at the option of UAMPS, in whole or in part, and if in part among maturities to be designated by UAMPS, on any date, at a Redemption Price, calculated by a quotation agent selected by UAMPS in a commercially reasonable manner, equal to the greater of (i) 100% of the principal amount of the Series 2019 Bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2019 Bonds to be redeemed (but excluding accrued and unpaid interest on such Series 2019 Bonds are to be redeemed on a semi-annual basis at the Treasury Rate plus twenty-five basis points (0.25%); plus accrued interest on the Series 2019 Bonds to be redeemed to the redemption date.

The Veyo Heat Recovery Project Revenue Bonds Series 2014 ("Series 2014 Bonds), totaling $21.4 million, mature on or after March 1, 2026 and are subject to redemption prior to maturity on or after March 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount or portion plus accrued interest to redemption date. The Series 2014 Bonds maturing on March 1, 2038 are subject to mandatory sinking fund redemption on March 1, 2035 and on each March 1 thereafter to and including March 1, 2037, at a redemption price equal at a redemption price equal to principal amount plus accrued interest to the redemption date. The Series 2014 Bonds maturing on March 1, 2041 are subject to mandatory sinking funds redemption on March 1, 2039 and March 1, 2040, at a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date.

The Member Services Project Generator Revenue Refunding Bonds (Hurricane City project and Washington City project) Series 2013 Revenue Refunding Bonds, totaling $2.0 million and $1.0 million, respectively, at 2.30% interest, are subject to redemption prior to maturity, at the election of UAMPS on or after November 1, 2020, in whole (but not in part), at a redemption price equal to 100.00% of the principal plus accrued interest.

The Member Services Project Generator Refunding Revenue Bonds (Washington City Project) Series 2016, totaling $2.0 million at 2.59% interest, mature on or after July 1, 2024 and are subject to redemption prior to maturity, at the election of UAMPS on any interest payment date, on or after July 1, 2023, in whole or in part (and if in part, in inverse order of principal installments), at a redemption price equal to 100% of the principal amounts of the bonds to be redeemed plus accrued interest.

Restricted cash and investments are restricted only for the purposes stipulated in the Resolutions. When both restricted and unrestricted resources are available for use, UAMPS' Project Management Committee determines which resources are used first.

The Bond Resolutions include certain provisions and covenants including among others, the requirement that UAMPS shall at all times establish and collect rates and charges to provide Revenues at least sufficient in each fiscal year, together with other available funds, for the payment of the sum of operation and maintenance costs, debt service, and debt service reserve account for the fiscal year. UAMPS will punctually pay or cause to be paid the principal, redemption price and interest on the Bonds and any repayment obligations in strict conformity with the terms of the Bonds, any security instrument agreement, any reserve instrument agreement, and the indenture, and UAMPS will punctually pay or cause to be paid all sinking fund installments which may be established for any series of bonds. UAMPS is required to file an annual budget with the respective trustees of each of their bonds and is required to keep proper books of records and accounts, and file with the Trustee annually financial statements.

UAMPS incurred interest costs of $5.2 million and $5.3 million for the years ended March 31, 2024 and 2023, respectively.

The scheduled maturities and related interest, based on scheduled rates for fixed rate bonds and the existing rates at March 31, 2024, for variable rate bonds, of long-term debt are as follows:

Year Ending March 31	Revenue and Refunding Revenue Bonds	Interest	Total Debt Service Requirements
2025	$ 14,522,707	$ 4,563,592	$ 19,086,299
2026	14,820,000	4,089,638	18,909,638
2027	8,239,000	3,774,507	12,013,507
2028	8,564,000	3,446,945	12,010,945
2029	5,261,000	886,152	6,147,152
2030–2034	29,295,000	11,718,050	41,013,050
2035–2039	30,255,000	3,838,633	34,093,633
2040–2044	2,665,000	190,396	2,855,396
	$ 113,621,707	$ 32,507,914	$ 146,129,621

The table below shows the changes in the net long-term debt balances that occurred during the year ended March 31, 2024.

	March 31, 2023	Additions	Reductions	March 31, 2024	Amount Due Within One Year
Horse Butte Wind 2017A – Serial	$ 38,480,000	$ -	$ 3,060,000	$ 35,420,000	$ 3,210,000
Horse Butte Wind 2017B – Serial	32,455,000	-	-	32,455,000	-
Horse Butte Wind 2017C – Taxable Component	460,000	-	460,000	-	-
Horse Butte Wind 2017C – Term	480,000	-	-	480,000	480,000
Horse Butte Wind 2017C – Term	495,000	-	-	495,000	-
Central-St. George 2016 – Term	15,625,000	-	2,970,000	12,655,000	3,045,000
Central-St. George 2018 – Term	412,219	-	245,511	166,707	166,707
Payson 2013 – Serial	220,000	-	220,000	-	-
Payson 2019 – Serial	19,605,000	-	6,385,000	13,220,000	6,530,000
Veyo 2014 – Serial	9,125,000	-	660,000	8,465,000	690,000
Veyo 2014 – Term	1,060,000	-	-	1,060,000	-
Veyo 2014 – Term	1,100,000	-	-	1,100,000	-
Veyo 2014 – Term	1,145,000	-	-	1,145,000	-
Veyo 2014 – Term	1,190,000	-	-	1,190,000	-
Veyo 2014 – Term	1,240,000	-	-	1,240,000	-
Veyo 2014 – Term	1,300,000	-	-	1,300,000	-
Veyo 2014 – Term	1,365,000	-	-	1,365,000	-
Hurricane City 2013 – Term	794,000	-	152,000	642,000	154,000
Washington City 2013 – Term	393,000	-	75,000	318,000	76,000
Washington 2016 – Term	1,073,000	-	168,000	905,000	171,000
	128,017,219	-	14,395,511	113,621,707	14,522,707
Plus unamortized premium	10,386,098	-	1,153,681	9,232,417	1,114,212
	$ 138,403,317	$ -	$ 15,549,192	$ 122,854,124	$ 15,636,919

The table below shows the changes in the net long-term debt balances that occurred during the year ended March 31, 2023.

	March 31, 2022	Additions	Reductions	March 31, 2023	Amount Due Within One Year
Horse Butte Wind 2012A – Serial	$ 3,180,000	$ -	$ 3,180,000	$ -	$ -
Horse Butte Wind 2017A – Serial	38,480,000	-	-	38,480,000	3,060,000
Horse Butte Wind 2017B – Serial	32,455,000	-	-	32,455,000	-
Horse Butte Wind 2017C – Taxable Component	180,000	-	180,000	-	-
Horse Butte Wind 2017C – Taxable Component	460,000	-	-	460,000	460,000
Horse Butte Wind 2017C – Term	480,000	-	-	480,000	-
Horse Butte Wind 2017C – Term	495,000	-	-	495,000	-
San Juan 2008A- Serial	215,000	-	215,000	-	-
San Juan 2011 – Serial	3,605,000	-	3,605,000	-	-
Central-St. George 2016 – Term	18,520,000	-	2,895,000	15,625,000	2,970,000
Central-St. George 2018 – Term	648,628	-	236,409	412,219	245,511
Payson 2013 – Serial	435,000	-	215,000	220,000	220,000
Payson 2019 – Serial	25,855,000	-	6,250,000	19,605,000	6,385,000
Veyo 2014 – Serial	9,755,000	-	630,000	9,125,000	660,000
Veyo 2014 – Term	1,060,000	-	-	1,060,000	-
Veyo 2014 – Term	1,100,000	-	-	1,100,000	-
Veyo 2014 – Term	1,145,000	-	-	1,145,000	-
Veyo 2014 – Term	1,190,000	-	-	1,190,000	-
Veyo 2014 – Term	1,240,000	-	-	1,240,000	-
Veyo 2014 – Term	1,300,000	-	-	1,300,000	-
Veyo 2014 – Term	1,365,000	-	-	1,365,000	-
Hurricane City 2013 – Term	942,000	-	148,000	794,000	152,000
Washington City 2013 – Term	466,000	-	73,000	393,000	75,000
Washington 2016 – Term	1,236,000	-	163,000	1,073,000	168,000
	145,807,628	-	17,790,409	128,017,219	14,395,511
Plus unamortized premium	11,845,729	-	1,459,631	10,386,098	1,153,711
	$ 157,653,357	$ -	$ 19,250,040	$ 138,403,317	$ 15,549,222

8. Lines of Credit

On July 1, 2022, the Wells Fargo Bank line of credit was increased from $19.0 million to $26.0 million to accommodate higher energy and gas costs and working capital requirements. The interest rate on the Wells Fargo Bank line is variable based upon the Secured Overnight Financing Rate (SOFR), and the interest rate was 4.90% and 4.49% at March 31, 2024 and 2023, respectively. The maturity date of the Wells Fargo Bank line of credit is April 30, 2024. On November 1, 2022, the $6.0 million line of credit with Zion's Bank was renewed with a maturity date of November 30, 2025. The interest rate on the Zion's Bank line of credit rate is variable based upon the U.S. Treasury Rate (USTR), and the interest rate was 5.22% and 4.42% at March 31, 2024 and 2023, respectively. At March 31, 2024, the outstanding balance on the combined $32.0 million available lines of credit with Wells Fargo Bank and Zion's Bank was $12.2 million and $0, respectively. At March 31, 2023, the outstanding balance on the combined $32.0 million available lines of credit with Wells Fargo Bank and Zion's Bank was $13.9 million and $0, respectively.

On September 15, 2021, UAMPS obtained a $35.0 million line of credit with Bank of America to finance expenses associated with CFPP. On February 28, 2023, the line was increased to $85.0 million. On March 29, 2024, the line was reduced to $25.0 million and the taxable interest rate index was changed from Bloomberg Short-Term Bank Yield (BSBY) to Secured Overnight Financing Rate (SOFR). The rate is variable based upon both the Securities Industry and Financial Markets Association (SIFMA), which was 4.39% and 5.15% at March 31, 2024 and 2023, respectively, and SOFR, which was 6.37% and 5.69% at March 31, 2024 and 2023, respectively. The maturity date of the Bank of America line of credit is March 28, 2025. The outstanding balance was $11.5 million and $32.0 million at March 31, 2024 and 2023, respectively.

9. Leases

UAMPS leases office space with an initial or remaining term of one year or more. UAMPS recognizes a lease liability at the present value of payments expected to be made during the lease term. The future lease payments are discounted using UAMPS' estimated incremental borrowing rate. The lease term includes all periods, if any, for which the exercise of a renewal option appears, at the inception of the lease, to be reasonably assured. UAMPS recognizes a right-to-use lease asset based on the initial measurement of the lease liability, and that asset is amortized over the lease term.

As of March 31, 2024 and 2023, the components of the right to use lease asset were as follows:

	2024	**2023**
Right to Use Assets:		
Building	$ 5,748,625	$ 5,748,625
Accumulated Amortization:		
Building	(1,069,512)	(534,756)
Right to Use Assets, net	$ 4,679,113	$ 5,213,869

Future principal and interest requirements to maturity for leases as of March 31, 2024, are as follows:

Year Ending March 31	Principal	Interest	Total
2025	$ 416,461	$ 160,299	$ 576,760
2026	443,419	145,941	589,360
2027	476,474	130,568	607,042
2028	511,192	114,062	625,254
2029	547,646	96,365	644,011
2030–2033	2,593,928	175,362	2,769,290
Total future lease payments	$ 4,989,120	$ 822,597	5,811,717
Less present value discount			(822,597)
Present value of lease liabilities			$ 4,989,120

10. Commitments and Contingencies

In the course of ordinary business activities, UAMPS enters into a variety of contractual obligations for future transactions for both energy and natural gas in order to meet Member load and resource requirements.

UAMPS had the following purchase commitments at March 31, 2024:

Year Ending March 31	Gas	Power
2025	$ 27,623,122	$ 36,190,143
2026	28,153,304	25,617,711
2027	37,779,493	26,091,212
2028	41,150,860	2,178,000
2029	25,543,414	-
Thereafter	10,584,527	-
Total	$ 170,834,720	$ 90,077,066

During the years ended March 31, 2023, UAMPS incurred minimum coal costs of $3.0 million and incremental coal costs of $0.6 million as its portion of the existing San Juan Operating Agreement. Incremental coal costs are comprised of variable costs for the purchase of coal in excess of the minimum purchase requirement and can be negative due to consumption being less than the base purchase requirement. No such costs were incurred during the year ended March 31, 2024.

During the normal course of conducting its business, UAMPS becomes involved in litigation. It is not possible to determine the eventual outcome of presently unresolved litigation. However, management believes it will not have a material adverse effect on UAMPS' financial position or results of operations.

11. Retirement Plan

UAMPS has a noncontributory money purchase defined contribution pension plan, which covers all of its employees. Employees are eligible to participate from the date of employment. Contributions and earnings thereon are always fully vested upon participation in the plan. Contribution levels are established by the Board and are initially equal to 15.3%, increasing to 25.0% of each covered employee's compensation. UAMPS' covered payroll amounted to approximately $6.5 million and $6.1 million during the years ended March 31, 2024 and 2023, respectively. Contributions, which are approximately 25% and 24% of total payroll during the years ended March 31, 2024 and 2023, respectively, totaled approximately $1.6 million and $1.4 million during the years ended March 31, 2024 and 2023, respectively. All contributions are invested using an outside pension administrator, ICMA Retirement Corp. (ICMA). ICMA provides the participants with multiple options for their pension investments.

12. Blended Component Unit

The following statements present the condensed information for the blended component unit, CFPP. Individual financial information can be provided upon request.

Statements of Revenues and Expenses and Changes in Net Position

(In Thousands)	**Year Ended March 31, 2024**	**Year Ended March 31, 2023**
Operating revenues	$ -	$ -
Operating expenses	(115,857)	(78,732)
Operating loss	(115,857)	(78,732)
Nonoperating revenues (expenses):		
Subsidies from federal grants and other entities	138,571	62,881
Nonoperating expenses	(1,480)	(636)
Total nonoperating revenues, net	137,091	62,245
Change in net position	21,234	(16,487)
Net position at beginning of year	(29,102)	(12,615)
Net position at end of year	$ (7,868)	$ (29,102)

Statements of Net Position

(In Thousands)	Year Ended March 31, 2024	Year Ended March 31, 2023
Current assets:		
Cash	$ 184	$ 7,184
Receivables	10,340	39,076
Prepaid expenses and deposits	990	998
Total current assets	11,514	47,258
Total assets and deferred outflows of resources	$ 11,514	$ 47,258
Current liabilities:		
Accounts payable	$ 5,150	$ 33,162
Accrued liabilities	14,232	43,198
Total current liabilities	19,382	76,360
Net position:		
Unrestricted	(7,868)	(29,102)
Total liabilities, deferred inflow of resources, and net position	$ 11,514	$ 47,258

Statements of Cash Flows

(In Thousands)	Year Ended March 31, 2024	Year Ended March 31, 2023
Net cash used in operating activities	$ (172,827)	$ (32,264)
Net cash used in capital and related financing activities	(1,481)	(636)
Net cash provided by noncapital financing activities	167,308	40,048
Net cash provided by investing activities	-	-
(Decrease) increase in cash	(7,000)	7,148
Cash at beginning of year	7,184	36
Cash at end of year	$ 184	$ 7,184

13. Subsequent Events

On April 30, 2024, UAMP renewed the Wells Fargo line of credit in the amount of $26.0 million. The interest rate is variable based upon the Secured Overnight Financing Rate (SOFR). The line now expires on April 30, 2025.

On July 11, 2024, UAMPS issued Hyrum Generation Project $13.9 million Revenue Bonds Series 2024 with a 20-year amortization, to fund the Hyrum City Generation Project (the "Project"). The Project consists of three Caterpillar G3520 Fast Start 2,619 kilowatt generators, 4,700-foot altitude, 12,470 volts, 3 phase, 1,800 RPM, and 1 metal building. Capacity will used to serve city's load and voltage requirements. The Project is expected to be completed and placed in service in fiscal 2025.

Supplemental Schedules

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements

Statement of Net Position

March 31, 2024

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Horse Butte Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Natural Gas Project	Government & Public Affairs	Member Services	Totals
Assets																		
Current assets:																		
Cash	$ 1,014,015	$ 2,540,826	$ 387,759	$ (1,148,811)	$ 1,090,493	$ (1,273,796)	$ 48,336	$ 517,822	$ (1,271,211)	$ 17,564	$ (1,639,327)	$ 676,587	$ 188,413	$ 1,711,272	$ (123,112)	$ 279,437	$ 204,098	$ 3,220,365
Receivables	1,298,044	1,990,593	68,223	1,010,438	3,870,096	2,051,052	493,657	28,272	418,888	10,415,097	7,882,048	10,355,222	-	303,394	320,043	77,941	64,206	40,647,214
Prepaid expenses and deposits	-	1,101,000	563,740	-	-	98,796	51,018	6,867	-	910,000	2,009,605	989,506	-	-	-	-	-	5,730,532
Investments	979,818	1,369,565	48,003	1,210,214	5,925,207	879,043	322,258	(36,355)	400,651	5,190,107	5,957,279	-	-	71,292	18,382	48,619	82,498	22,466,581
	3,291,877	7,001,984	1,067,725	1,071,841	10,885,796	1,755,095	915,269	516,606	(451,672)	16,532,768	14,209,605	12,021,315	188,413	2,085,958	215,313	405,997	350,802	72,064,692
Restricted assets:																		
Investments	-	1,531,972	6,503,241	-	-	12,134,979	2,231,771	-	4,899,871	-	8,673,161	-	-	-	-	-	2,102,378	38,077,373
Interest receivable	34	47	2	42	205	30	11	(1)	14	180	206	-	-	2	1	2	3	778
	34	1,532,019	6,503,243	42	205	12,135,009	2,231,782	(1)	4,899,885	180	8,673,367	-	-	2	1	2	2,102,381	38,078,151
Utility plant and equipment:																		
Generation	-	105,554,269	69,723,436	-	-	91,948,960	30,690,360	-	-	-	117,240,842	1,000	-	-	-	-	6,828,983	421,987,850
Transmission	-	-	-	-	-	-	-	17,492,388	58,342,937	-	10,521,737	-	-	-	-	-	-	86,357,062
Furniture and equipment	88,641	233,919	228,699	60,286	48,386	231,538	27,141	22,363	107,231	-	459,839	243,268	-	273,325	35,796	119,896	14,340	2,194,668
	88,641	105,788,188	69,952,135	60,286	48,386	92,180,498	30,717,501	17,514,751	58,450,168	-	128,222,418	244,268	-	273,325	35,796	119,896	6,843,323	510,539,580
Less accumulated depreciation	(54,354)	(92,951,734)	(69,861,765)	(29,644)	(37,344)	(30,697,123)	(9,230,108)	(17,506,381)	(54,129,805)	-	(109,757,977)	(200,968)	-	(179,865)	(23,565)	(75,725)	(5,594,336)	(390,330,694)
	34,287	12,836,454	90,370	30,642	11,042	61,483,375	21,487,393	8,370	4,320,363	-	18,464,441	43,300	-	93,460	12,231	44,171	1,248,987	120,208,886
Construction work in progress	19,254	37,717	21,148	12,069	14,932	39,754	23,729	4,670	25,933	-	68,232	49,232	-	46,891	4,949	21,485	5	390,000
	53,541	12,874,171	111,518	42,711	25,974	61,523,129	21,511,122	13,040	4,346,296	-	18,532,673	92,532	-	140,351	17,180	65,656	1,248,992	120,598,886
Other assets:																		
Right to use lease asset, net of amortization	240,249	470,616	263,882	150,587	186,308	496,041	108,913	58,276	323,579	-	851,379	614,297	-	585,095	61,747	268,080	64	4,679,113
	240,249	470,616	263,882	150,587	186,308	496,041	108,913	58,276	323,579	-	851,379	614,297	-	585,095	61,747	268,080	64	4,679,113
Deferred outflows of resources	-	-	-	-	-	591,121	-	-	1,122,661	-	119,072	-	-	-	-	-	-	1,832,854
	$ 3,585,701	$ 21,878,790	$ 7,946,368	$ 1,265,181	$ 11,098,283	$ 76,500,395	$ 24,767,086	$ 587,921	$ 10,240,749	$ 16,532,948	$ 42,386,096	$ 12,728,144	$ 188,413	$ 2,811,406	$ 294,241	$ 739,735	$ 3,702,239	$ 237,253,696

(Continued)

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements

Statement of Net Position

March 31, 2024

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Horse Butte Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Natural Gas Project	Government & Public Affairs	Member Services	Totals
Membership Capital and Liabilities																		
Current liabilities:																		
Accounts payable	$ 2,479,397	$ (1,206,434)	$ 110,980	$ (1,321,454)	$ 6,874,061	$ (194,495)	$ 176,415	$ 27,526	$ 158,611	$ 11,026,735	$ 6,079,718	$ 6,534,243	$ -	$ 230,955	$ 4,856	$ 18,588	$ -	$ 30,999,702
Accrued liabilities	135,057	301,396	93,500	1,393,931	196,999	88,376	37,073	17,790	98,781	9,729,590	341,037	1,949,445	-	197,792	18,850	81,838	19	14,681,474
Lines of credit	532,069	743,713	26,067	657,181	3,217,558	477,346	174,995	(19,742)	217,565	2,818,377	3,234,974	11,500,000	-	38,714	9,982	26,402	44,799	23,700,000
Current portion of lease liability	21,383	41,887	23,487	13,403	16,582	44,150	9,694	5,187	28,800	-	75,776	54,675	-	52,076	5,496	23,860	5	416,461
Current portion of unearned revenue	-	-	-	-	-	1,281,856	382,569	-	60,017	-	13,020	-	-	-	-	-	-	1,737,462
	3,167,906	(119,438)	254,034	743,061	10,305,200	1,697,233	780,746	30,761	563,774	23,574,702	9,744,525	20,038,363	-	519,537	39,184	150,688	44,823	71,535,099
Liabilities payable from restricted assets:																		
Accrued interest payable	1,976	2,761	97	2,440	11,946	287,063	65,099	(73)	110,124	10,464	173,996	-	-	144	37	98	15,206	681,378
Current portion of long-term debt	-	-	-	-	-	4,724,883	769,329	-	3,211,708	-	6,530,000	-	-	-	-	-	401,000	15,636,920
	1,976	2,761	97	2,440	11,946	5,011,946	834,428	(73)	3,321,832	10,464	6,703,996	-	-	144	37	98	416,206	16,318,298
Long-term debt:																		
Bonds payable, less current portion	-	-	-	-	-	65,160,028	16,175,000	-	9,610,000	-	6,690,000	-	-	-	-	-	1,464,000	99,099,028
Less: unamortized bond discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plus: unamortized bond premium	-	-	-	-	-	7,395,767	722,409	-	-	-	-	-	-	-	-	-	-	8,118,176
Long-term line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	72,555,795	16,897,409	-	9,610,000	-	6,690,000	-	-	-	-	-	1,464,000	107,217,204
Other liabilities:																		
Lease liability, less current portion	234,783	459,910	257,878	147,161	182,071	484,755	106,435	56,950	316,217	-	832,009	600,321	-	571,783	60,342	261,981	63	4,572,659
Unearned revenue, less current portion	-	-	-	-	-	9,250,395	6,089,224	-	125,980	44,196	13,020	-	-	-	-	-	-	15,522,815
	234,783	459,910	257,878	147,161	182,071	9,735,150	6,195,659	56,950	442,197	44,196	845,029	600,321	-	571,783	60,342	261,981	63	20,095,474
Deferred inflows of resources	(8,498)	18,103,449	6,850,501	792	(35,947)	(14,251,699)	(427,156)	520,624	(3,904,412)	(6,337,366)	16,183,220	(40,020)	-	9,888	28,000	(9,515)	1,419,499	18,101,360
Net position	189,534	3,432,108	583,858	371,727	635,013	1,751,970	486,000	(20,341)	207,358	(759,048)	2,219,326	(7,870,520)	188,413	1,710,054	166,678	336,483	357,648	3,986,261
	$ 3,585,701	$ 21,878,790	$ 7,946,368	$ 1,265,181	$ 11,098,283	$ 76,500,395	$ 24,767,086	$ 587,921	$ 10,240,749	$ 16,532,948	$ 42,386,096	$ 12,728,144	$ 188,413	$ 2,811,406	$ 294,241	$ 739,735	$ 3,702,239	$ 237,253,696

(Concluded)

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements

Statement of Revenues and Expenses

Year Ended March 31, 2024

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Gas Project	Government & Public Affairs	Member Services	Totals
Operating revenues:																		
Power sales to members	$ 11,931,278	$ 12,653,578	$ 520,955	$ 12,349,142	$ 107,878,391	$ 12,234,834	$ 3,963,676	$ 459,071	$ 4,006,282	$ 28,756,364	$ 62,986,152	$ 15,230	$ -	$ (33,926)	$ 214,962	$ 548,466	$ 934,678	$ 259,419,132
Other	(15,713)	(18,031)	-	(21,748)	(188,618)	(17,001)	(5,149)	-	-	(280,640)	(109,210)	-	-	1,739,972	-	-	-	1,083,862
	11,915,565	12,635,547	520,955	12,327,394	107,689,773	12,217,833	3,958,527	459,071	4,006,282	28,475,724	62,876,942	15,230	-	1,706,046	214,962	548,466	934,678	260,502,994
Operating expenses:																		
Cost of power	11,445,580	10,593,302	738,034	11,863,927	105,794,273	3,708,410	780,395	273,806	313,142	26,081,916	47,034,990	-	-	109,275	-	169,396	363,547	219,269,993
In lieu of ad valorem taxes	-	347,856	46,012	80,099	-	133,739	-	-	-	-	-	-	-	-	-	-	-	607,706
Depreciation	37,222	768,448	106,906	28,632	30,703	4,760,580	1,190,738	11,804	1,420,233	-	7,983,527	163,281	-	105,507	7,977	56,280	317,114	16,988,952
General and administrative	430,585	565,074	277,295	333,846	1,906,013	1,266,588	873,037	96,029	555,943	2,605,602	5,089,210	115,738,467	-	914,262	121,324	310,107	23,810	131,107,192
	11,913,387	12,274,680	1,168,247	12,306,504	107,730,989	9,869,317	2,844,170	381,639	2,289,318	28,687,518	60,107,727	115,901,748	-	1,129,044	129,301	535,783	704,471	367,973,843
Operating income	2,178	360,867	(647,292)	20,890	(41,216)	2,348,516	1,114,357	77,432	1,716,964	(211,794)	2,769,215	(115,886,518)	-	577,002	85,661	12,683	230,207	(107,470,849)
Nonoperating revenues (expenses):																		
Interest expense	(28,072)	(39,239)	(1,375)	(34,673)	(169,759)	(3,451,208)	(781,296)	1,042	(88,284)	(148,699)	(379,346)	(1,480,752)	-	(2,043)	(527)	(1,393)	(49,358)	(6,654,981)
Investment and other income (expense)	-	88,378	365,143	-	-	706,321	134,136	-	281,556	-	262,948	-	-	-	177	-	102,143	1,940,802
Deferred outflows of resources - net costs advanced	8,521	(212,600)	692,433	4,418	4,209	1,188,532	(104,717)	2,433	(1,590,639)	-	(1,685,499)	29,615	-	26,435	3,074	11,787	(169,980)	(1,791,978)
Subsidies from federal grants and other entities	-	-	-	-	-	-	-	-	-	-	-	138,571,367	-	-	-	-	-	138,571,367
Total nonoperating revenues, net	(19,551)	(163,461)	1,056,201	(30,255)	(165,550)	(1,556,355)	(751,877)	3,475	(1,397,367)	(148,699)	(1,801,897)	137,120,230	-	24,392	2,724	10,394	(117,195)	132,065,210
Change in net position	$ (17,373)	$ 197,407	$ 408,908	$ (9,365)	$ (206,767)	$ 792,161	$ 362,480	$ 80,907	$ 319,597	$ (360,492)	$ 967,317	$ 21,233,712	$ -	$ 601,395	$ 88,385	$ 23,077	$ 113,013	$ 24,594,361

Reports Required by the Uniform Guidance

Deloitte.

Deloitte & Touche LLP
111 South Main Street
Suite 1500
Salt Lake City, UT 84111-1919
USA

Tel:+1 801 328 4706
Fax:+1 801 366 7900
www.deloitte.com

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

To Management and the Board of Directors of
Utah Associated Municipal Power Systems

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 (*Government Auditing Standards*), the financial statements of Utah Associated Municipal Power Systems (UAMPS), which comprise the statements of net position as of March 31, 2024 and 2023, and the related statements of revenues and expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated July 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered UAMPS' 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UAMPS' internal control. Accordingly, we do not express an opinion on the effectiveness of UAMPS' internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Deloitte & Touche LLP

July 26, 2024

Deloitte & Touche LLP
111 South Main Street
Suite 1500
Salt Lake City, UT 84111-1919
USA

Tel:+1 801 328 4706
Fax:+1 801 366 7900
www.deloitte.com

Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To Management and the Board of Directors of
Utah Associated Municipal Power Systems

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Utah Associated Municipal Power Systems' (UAMPS) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on UAMPS' major federal program for the year ended March 31, 2024. UAMPS' major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, UAMPS complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding UAMPS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of UAMPS' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of UAMPS' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Deloitte & Touche LLP

July 26, 2024

Supplementary Information
Required by the Uniform Guidance

Utah Associated Municipal Power Systems

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2024

Federal Grantor/ Pass-through Grantor/ Program Title	**Federal Assistance Listing #**	**Pass-Through Entity Identifying Number**	**Total Current Year Expenditures**
U.S. Department of Energy: Nuclear Energy Research, Development, and Demonstration			
Commercialization and deployment of the First NuScale Small Modular Reactor in the U.S. – Carbon Free Power Project (CFPP)	81.121	DE-NE0008935	$ 90,913,499
U.S. Department of Energy			90,913,499
Total expenditures of federal awards			$ 90,913,499

See Notes to Schedule of Expenditures of Federal Awards.

Utah Associated Municipal Power Systems

Notes to Schedule of Expenditures of Federal Awards

Year Ended March 31, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of CFPP LLC (CFPP), which is a component unit of Utah Associated Municipal Power Systems (UAMPS), under programs of the federal government for the year ended March 31, 2024. The information is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of CFPP, it is not intended to and does not present the financial condition, changes in net position or cash flows of UAMPS.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

3. Indirect Cost Rate

CFPP has elected not to use the 10% de minimis cost rate.

Schedule Required by the Uniform Guidance

Utah Associated Municipal Power Systems

Schedule of Findings and Questioned Costs

Year Ended March 31, 2024

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified	
Internal control over financial reporting:			
Material weakness(es) identified?	______ Yes	X No	
Significant deficiency(ies) identified?	______ Yes	X None reported	
Noncompliance material to financial statements noted?	______ Yes	X No	

Federal Awards

Internal control over major federal program:			
Material weakness(es) identified?	______ Yes	X No	
Significant deficiency(ies) identified?	______ Yes	X None reported	
Type of auditor's report issued on compliance for major federal program:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	X No	

Identification of major federal program:

Federal Assistance Listing #	Name of federal program or cluster
81.121	Nuclear Energy Research, Development and Demonstration

Dollar threshold used to distinguish between Type A and Type B programs:	$	2,727,405
Auditee qualified as low-risk auditee?	X Yes	______ No

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Finding and Questioned Costs

No matters were reported.

Summary of Prior Year Findings

Finding 2023-001

CFPP LLC did not have a review control over the CFPP federal financial reports that was sufficiently precise to identify a material misstatement. Management agreed with the finding.

Status

Corrective action previously reported has been completed and the finding has been remediated.

Finding 2023-002

CFPP LLC did not include the year-end accrual of expenditures in the amount of cumulative federal expenditures reported in its fourth quarter SF-425 Federal Financial Report, resulting in and understatement of approximately $7.9 million in cumulative federal expenditures under this program. Management agreed with the finding and submitted a revised SF-425 on July 13, 2023, with the correction. The error did not have any impact on the amount billed to DOE.

Status

Corrective action previously reported has been completed and the finding has been remediated.

Other Report

Deloitte.

Deloitte & Touche LLP
111 South Main Street
Suite 1500
Salt Lake City, UT 84111-1919
USA

Tel:+1 801 328 4706
Fax:+1 801 366 7900
www.deloitte.com

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

To Management and the Board of Directors of
Utah Associated Municipal Power Systems

Report on Compliance

We have audited Utah Associated Municipal Power Systems' (UAMPS) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended March 31, 2024.

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

- Budgetary Compliance
- Fraud Risk Assessment
- Public Treasurer's Bond

Opinion on Compliance

In our opinion, UAMPS complied, in all material respects, with the state compliance requirements referred to above for the year ended March 31, 2024.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding UAMPS' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of UAMPS' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of UAMPS' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Deloitte & Touche LLP

July 26, 2024