

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended June 30, 2022
WEST JORDAN, UTAH

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2022

City of West Jordan Finance Department

Danyce Steck, CPFO - Administrative Services Director
Frank Evans - Controller
Tyler Aitken - City Treasurer
Jeremy Olsen - Sr Management Analyst
Joe Bryant - Purchasing Manager



CITY OF WEST JORDAN, UTAH



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2022

West Jordan City Council



*Zach Jacob (District 3), Chris McConnehey (District 1), David Pack (District 4), Kelvin Green (At Large)
Melissa Worthen (District 2), Kayleen Whitelock (At Large), Pamela Bloom (At Large)*

December 21, 2022

Honorable Mayor, Members of the City Council, and Citizens of West Jordan:

The Annual Comprehensive Financial Report (ACFR) of the City of West Jordan, Utah (the City), for the fiscal year ended June 30, 2022, is submitted herewith. This report has been prepared by the City's Administrative Services Department in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board.

Overview

State law requires that general-purpose local governments publish a complete set of financial statements in accordance with GAAP, within six months of the close of each fiscal year. State law also requires that the report be audited in accordance with generally accepted auditing standards, by a licensed certified public accounting firm.

As required by State law, an annual audit has been completed by Keddington & Christensen, LLC, an independent public accounting firm. This audit provides reasonable assurance that the financial statements for the fiscal year ended June 30, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, reviewing significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion. The City's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

The City is required to undergo a federal single audit. Such audits are based on the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the opinion on the schedule of expenditures of federal awards, the auditors' reports on compliance and internal controls over financial reporting in accordance with Generally Accepted Governmental Auditing Standards (GAGAS), and the auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are available in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A immediately follows the independent auditors' report.

This ACFR has been prepared by the City's Administrative Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. Management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met.

Government Profile

The City of West Jordan was incorporated on January 10, 1941. The City of West Jordan has a population of 116,541 making it the third-largest city in the state, and a city of the first class, as defined by the State of Utah. At build-out, the City is projected to have a population of 175,000. It is located within the Salt Lake metropolitan area and is approximately 32.02 square miles in size.

The City provides a full range of services to its businesses and residents. These include police and fire protection, culinary water, sanitary sewer, solid waste and recycling collection and disposal, construction and maintenance of roadways, parks and recreation facilities, street lighting, celebrations, and other cultural events.

In November 2017, the citizens of West Jordan voted to approve a change in the form of government from Council-Manager to Council-Mayor. The effective date of this change was January 6, 2020. This change assigned the executive functions of the City to the elected mayor and the legislative functions of the City to an elected seven-member council. The Council is responsible for passing ordinances, adopting the budget, as well as appointing committees. The Mayor is responsible for carrying out the ordinances and policies adopted by the City Council as well as managing the day-to-day operations of the City including but not limited to organizing the departments and services within the appropriated budget.

Component units are entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are considered to be part of governmental operations, and so are included in the City's budget reporting and financial statements.

Utah state law requires the City to adopt a budget for all funds on an annual basis, and requires that all funds maintain a balanced budget, with some limited exceptions. State law also requires that departmental expenditures do not exceed appropriated funding levels, except in cases of emergency (such as a natural disaster). Budgetary control is maintained at the department level for the General Fund and at the fund level for all other funds. Authority to revise approved budgets rests with the City Council, which may be accomplished following the completion of noticing and hearing requirements.

Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of West Jordan operates.

State Economy

According to the State of Utah's 2022 Economic Report to the Governor, Utah's recovered quickly from the pandemic recession shock with a record-breaking 72,500 jobs over the year. This number includes a full recovery of the 20,900 jobs lost in 2020 in addition to new job growth. In June 2022, Utah's unemployment rate had dropped to 2.0% which was the third lowest rate in the nation.

In June 2022, Utah's private sector employment recorded a year-over-year expansion of 3.9% (52,800 jobs). All ten of Utah's major private-sector industry groups posted net year-over-year job gains, led by Trade, Transportation, Utilities (12,800 jobs); Construction (10,300 jobs); Leisure and Hospitality (8,900 jobs); and Education and Health Services (7,100 jobs).

According to the Report, "Net in-migration reached a 16-year high in 2021, with nearly 35,000 new residents moving in from out of state. Population growth, combined with job and wage growth and low interest rates, fueled the ongoing real estate and construction boom."

Developers permitted a record 35,500 new housing units despite cost increases and supply chain challenges and nonresidential construction reached a new high of \$2.7 billion. Strong demand continued to boost home prices, which increased 23.5% over the year.

The State's most pressing internal risks will be growth-driven challenges like a limited labor supply, water, and housing affordability. Other external risks include national economics including inflation and a looming recession. However, Utah's strong policy of fiscal responsibility continues to provide the foundation for financial sustainability to a greater extent than many other states.

Utah's advantages include a younger demographic profile, economic diversity, a stable fiscal and regulatory environment, and social cohesion.

Local Economy

For the past two fiscal year, the City has focused on long-term financial sustainability using conservative revenue estimates, treating revenue in excess of these estimates as one-time funding. This fiscal year, taxable sales experienced a year-over increase of 13.0% which is less than the previous fiscal year's increase of 17.6%. Of that growth, \$6.2 million was estimated as one-time revenue and transferred to the capital projects fund to be used for infrastructure maintenance and improvements. As sales tax revenue growth from inflation and other changes in consumer behavior have continued to demonstrate strong year-over-year growth, the City is prepared to address economic changes without compromising services or infrastructure management.

In June 2022, the unemployment rate in Salt Lake County had decreased to 2.40% from 3.2% in the same period in the prior year.

In FY 2022, residential construction reported 1,891 permits issued in FY 2022 and 249 commercial building permits. The City is working with major developers on several large master-planned communities, as well industrial and commercial developments with some residential mixed-use. The economic impact of these developments is not only important for the City but also the State of Utah.

With the largest contiguous acreage of undeveloped land in Salt Lake County, West Jordan is one of only two areas remaining in the County where new large-scale industrial development can take place. In addition, the City's resident labor force represents just over 10% of Salt Lake County's which has proven to be a major asset in attracting commercial and industrial development.

West Jordan is currently home to the 1.2 million square-foot Amazon Fulfillment Center (opened in 2020), Boeing's 700,000 square-foot manufacturing facility, Dannon's second-largest U.S. food manufacturing facility, a 200,000 square-foot Oracle data center, Sysco Intermountain Foods, and other large industrial and commercial businesses.

The City is equally committed to redevelopment and revitalization efforts within the more developed city center. As an example of this commitment, the City worked to create interest in a company to occupy a vacant semiconductor manufacturing facility. Aligned, purchased and retrofitted the facility to house a state-of-the-art, adaptable data center that now serves PayPal and other customers. Last year, Aligned completed the construction of a new 240,000 square-foot campus to host additional customers. Construction on a third building, which will more than double current capacity, is underway. Future improvements will create new retail pad sites along a major transportation corridor.

The City has continued to focus on opportunities for innovation and continued improvement in collaboration with residents, developers, and businesses in order to build a strong and resilient community.

Long-term Financial Planning

The City continues to be responsible and responsive to changes in the underlying economy and its potential impact on the City's ability to sustain services. Five-year financial plans have been developed and adopted in the annual budget. On-going revenues are dedicated to support on-going expenses and one-time revenues are dedicated to one-time purchases.

The City recognizes that trend analysis is no longer a predictor of future behavior and is mindful of how possible inflation may influence consumers and taxpayers. Economies are changing rapidly, and the City remains dedicated to long-term financial sustainability.

Awards & Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Jordan for its ACFR for the fiscal year ended June 30, 2021. This marks the 40th consecutive year the City has received the award. The Certificate of Achievement is a prestigious national award and recognizes the conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, with contents conforming to program standards. A Certificate of Achievement is valid for a period of one year. This report has been prepared to strictly follow the guidelines recommended by the GFOA and has been submitted to determine its eligibility for a Certificate of Achievement.

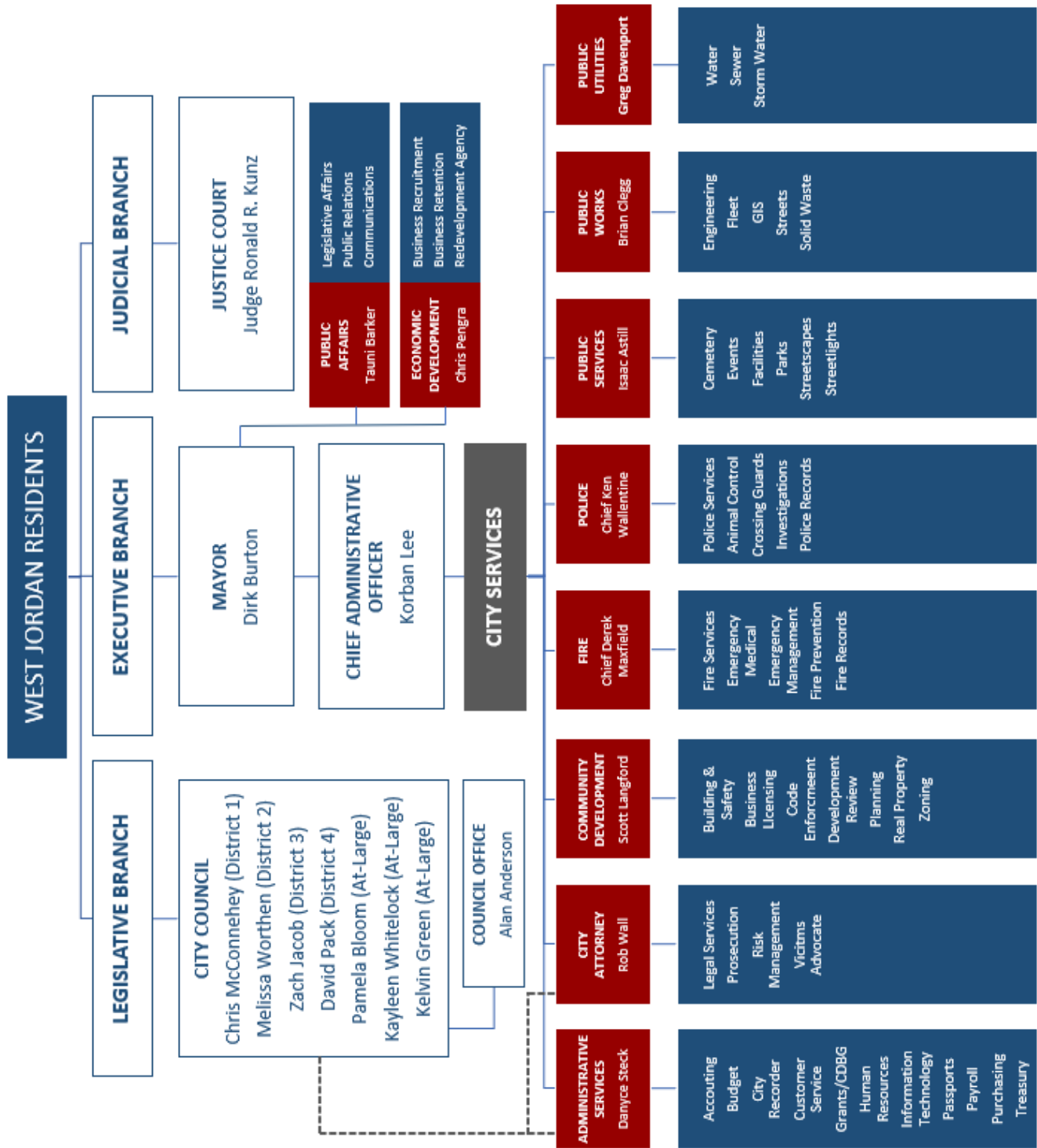
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the City's Administrative Services Department staff and Keddington and Christensen LLC. Each member of the team has our sincere appreciation for the contributions made in the preparation of this report. Without the leadership and support of the governing body of the City of West Jordan, preparation of this report would not have been possible.

Respectfully Submitted,



Danyce Steck, CPFO
Administrative Services Director

ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Councilmember At-large (Council Chair)	Kayleen Whitelock
Councilmember At-large (Council Vice-Chair).....	Kelvin Green
Councilmember At-large	Pamela Bloom
Councilmember – District 1	Chris McConnehey
Councilmember – District 2	Melissa Worthen
Councilmember – District 3	Zach Jacob
Councilmember – District 4	David Pack
Mayor	Dirk Burton

Appointed Officials (as required by state law)

Chief Administrative Officer	Korban Lee
City Attorney	I. Robert Wall
City Engineer	Nathan Nelson
City Recorder	Tangee Sloan
City Treasurer	Tyler Aitken
Budget Officer	Mayor Dirk Burton
Municipal Court Judge	Ronald Kunz

Executive Team

Mayor	Dirk Burton
Chief Administrative Officer	Korban Lee
City Attorney	Robert Wall
Director of Administrative Services	Danyce Steck
Director of Community Development	Scott Langford
Director of Economic Development	Chris Pengra
Director of Information Technologies	Robert Allred
Director of Public Affairs and Government Relations	Tauni Barker
Director of Public Services	Isaac Astill
Director of Public Works	Brian Clegg
Director of Public Utilities	Greg Davenport
Fire Chief	Derek Maxfield
Municipal Court Judge	Ronald Kunz
Police Chief	Ken Wallentine



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

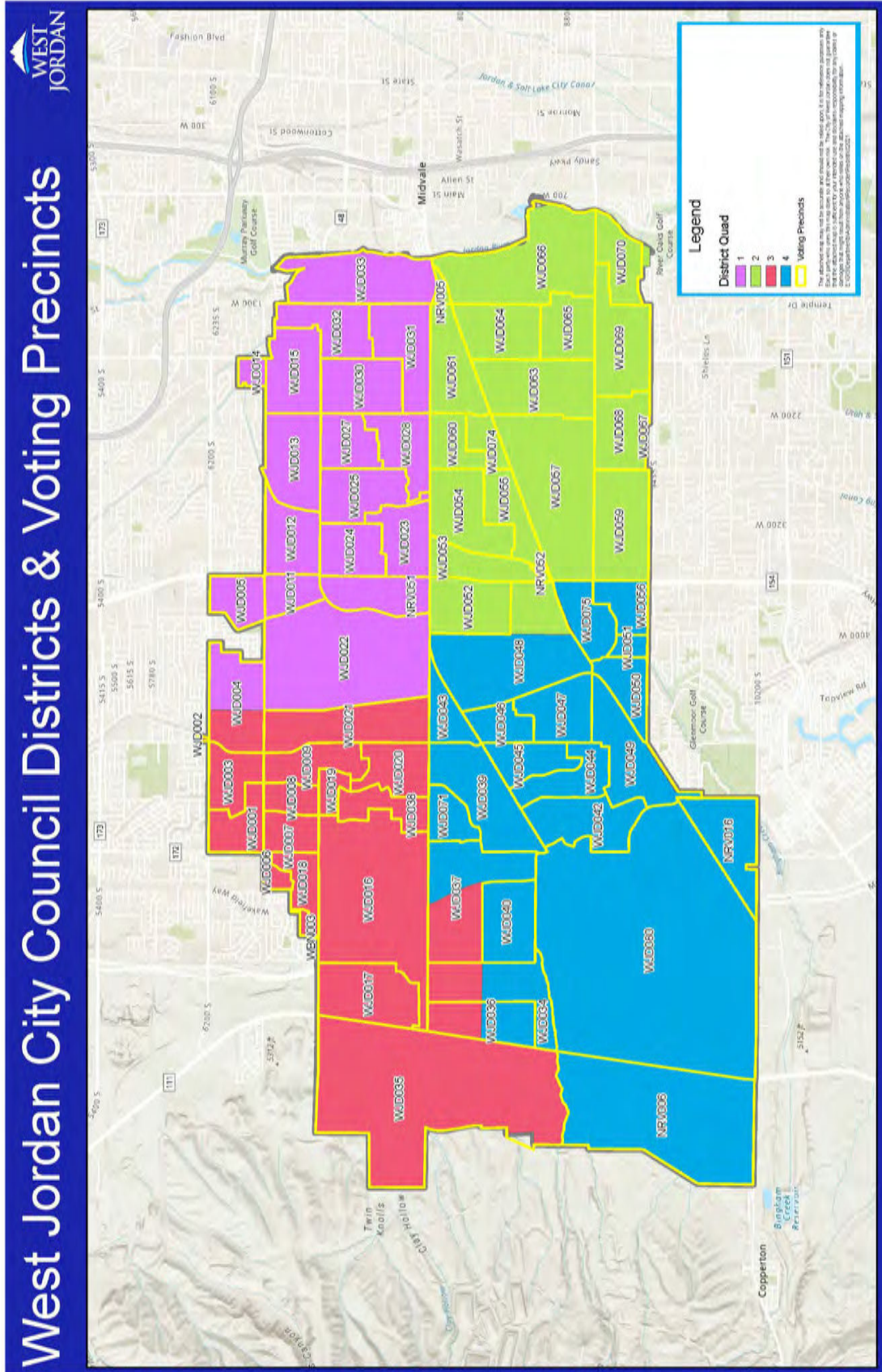
**City of West Jordan
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



FINANCIAL SECTION



For Fiscal Year Ended June 30, 2022



*Mayor Dirk Burton
West Jordan Small and Tall Ball (Feb 2022)*



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
City of West Jordan, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Jordan, Utah as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of West Jordan, Utah's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of the City of West Jordan, Utah as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statement, the budgetary comparison for the Capital Improvement Fund, and the internal service funds financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Change in Accounting Principle

As described in Note 22 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Salt Lake City, Utah
December 15, 2022

As management of the City of West Jordan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of West Jordan for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$724,814,003 (net position). Of this amount, \$130,147,151 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$59,553,165 which includes a prior period adjustment of \$203,873 due to the implementation of GASB Statement No. 87. Of this increase, \$36,922,890 (62%) is attributable to governmental activities and \$22,630,275 (38%) to business-type activities.

The increase for governmental activities can be attributed the receipt of federal grants, changes in sales tax due to inflation, and changes in the net pension liability. While resources increased, uses remained consistent with the prior year.

The increase for business-type activities is intended to support the City's five-year utility plans. The City continues to focus resources to the design engineering and construction of several water storage tanks along with other supporting infrastructure and maintenance projects needed to support development as well as current consumers. During this process, the City carefully manages its debt coverage ratio to comply with bond covenants. The requirement is 1.2 times operating revenue to operating expense per year.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$100,213,073 which is an increase of \$27,170,661 from the prior fiscal year. This is largely due to the receipt of federal grants, sales tax growth, a modest property tax increase of 2%, and the retirement of debt.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$27,701,651 or 33.9 percent of actual general fund revenues. The general fund's net change of fund balance was an increase of \$6,381,967. The general fund received the \$10 million in federal assistance grants and \$3.8 million in sales tax growth. The general fund also controlled spending to a less than 3% increase.
- The City's total long-term liabilities (excluding net pension liability) decreased by \$4,130,160, or 8.0 percent. The decrease was specific to the redemption of long-term debt.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City of West Jordan's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The Statement of Net Position presents information on the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of West Jordan is improving or deteriorating. However, other non-financial factors should also be considered.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish between the governmental activities and business-type activities of the City. Governmental activities are principally supported by taxes and intergovernmental revenues, while business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, community development, public safety, highways and public improvements, and parks and recreation. The business-type activities of the City include utilities (water, sewer, solid waste, storm water, and streetlights).

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Jordan, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds or proprietary funds (business-type).

A. Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

Governmental funds report the difference between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balances, which are divided into non-spendable, restricted, committed, assigned, and unassigned portions.

- *Non-spendable* balances include inventories and prepaid expenditures that are not expected to be converted to cash.
- *Restricted* balances include net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include bond and capital lease proceeds designated for specific projects, debt service reserve requirements, and grant proceeds.
- *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.
- *Assigned* balances in the general fund and other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes.
- *Unassigned* balances in the general fund are all other available net resources.

At June 30, 2022, the City's combined governmental fund balance is \$100,213,073. Of that balance, \$7,860,816 is nonspendable, \$26,969,338 is restricted, \$37,681,268 is assigned, and \$27,701,651 is unassigned. Additional details regarding governmental fund balances can be found in Note 1 and Note 20 of the Notes to the Financial Statements of this report.

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets readily convertible to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following ten (10) individual governmental funds:

- General Fund
- Redevelopment Agency Fund (RDA)
- Capital Projects Fund (CIP)
- Municipal Building Authority Fund (MBA)
- Class C Roads Fund
- Fairway Estates Special Recreation District Fund
- Highlands Special Improvement District Fund
- KraftMaid Special Improvement District Fund
- Grants Fund
- Community Development Block Grant Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Redevelopment Agency Fund, and Capital Projects Fund which are considered major funds. Individual fund data for the other non-major governmental funds is provided in the Supplementary Information section of this report.

FUND FINANCIAL STATEMENTS (continued)

A. Governmental Funds (continued)

The City adopts an annual appropriated budget for its government funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

B. Proprietary Funds

The City maintains two different types of proprietary funds – enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, solid waste, storm water, and streetlight utilities.

Internal service funds are used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses internal service funds to account for the acquisition and maintenance of its vehicles and equipment in the Fleet Management Fund, the management of its information technology infrastructure in an IT Management Fund, and the management of its self-insurance program in the Risk Management Fund. Since these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund information is provided in the form of combining statements in the Supplementary Information section of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major funds - water, sewer, and storm water funds. Information from the non-major proprietary funds is combined into a single, aggregated presentation. Individual fund information for these funds is provided in the form of combined statements in the Supplementary Information section of this report.

C. Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

D. Required Supplementary Information (RSI)

This section contains budget to actual comparison statements for the City's General Fund and Redevelopment Agency Fund. This section also contains required supplementary information for the City's pension program.

E. Other Information

In addition to the above-mentioned statements and reports, this report also presents an additional supplementary information section and a statistical section which both give more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's nonmajor funds and fiduciary fund, as well as budget to actual statements for major funds not reported as RSI. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data.



GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table summarizes the City’s net position:

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Current and noncurrent assets	\$ 128,060,907	\$ 164,949,953	\$ 48,449,519	\$ 73,640,866	\$ 176,510,426	\$ 238,590,819
Capital assets	362,082,712	361,724,606	232,244,660	246,499,069	594,327,372	608,223,675
Total assets	490,143,619	526,674,559	280,694,179	320,139,935	770,837,798	846,814,494
Total deferred outflows of resources	8,054,687	7,662,029	615,340	612,908	8,670,027	8,274,937
Long-term liabilities	33,046,445	30,109,490	10,726,595	17,558,865	43,773,040	47,668,355
Net pension liability	3,525,771	-	272,485	-	3,798,256	-
Other liabilities	26,405,717	20,382,697	5,943,062	15,328,823	32,348,779	35,711,520
Total liabilities	62,977,933	50,492,187	16,942,142	32,887,688	79,920,075	83,379,875
Total deferred inflows of resources	33,403,763	45,104,901	923,149	1,790,652	34,326,912	46,895,553
Net position:						
Net investment in capital assets	328,913,599	329,856,795	227,172,722	234,185,282	556,086,321	564,042,077
Restricted	26,193,208	27,439,216	5,334,898	5,236,455	31,528,106	32,675,671
Unrestricted	46,709,803	81,443,489	30,936,608	46,652,766	77,646,411	128,096,255
Total net position	\$ 401,816,610	\$ 438,739,500	\$ 263,444,228	\$ 286,074,503	\$ 665,260,838	\$ 724,814,003

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of West Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$724,814,003 as of June 30, 2022. This is an increase of \$59,553,165 from the previous fiscal year.

As of June 30, 2022, the City can report positive balances in all three categories of net position – government-wide, governmental activities, and business-type activities.

All funds reported positive fund balances for all categories of net position.

- *Net Investment in Capital Assets* - By far the largest portion of the City’s position (77.8%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, equipment, intangibles, and construction in progress), less any outstanding related debt used for acquisition of those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted Net Position* – This portion of net position represents resources that are subject to external restrictions on how they may be used. Impact fee reserves, state fund reserves, funds restricted for redevelopment, debt service reserves, and federal fund reserves qualify under this category.
- *Unrestricted Net Position* - The amount reported as unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table summarizes the City's operations:

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Revenues						
Program revenues						
Charges for services	\$ 15,092,741	\$ 16,113,826	\$ 59,042,021	\$ 56,594,686	\$ 74,134,762	\$ 72,708,512
Operating grants and contributions	11,707,250	17,190,808	-	-	11,707,250	17,190,808
Capital grants and contributions	16,919,163	4,248,196	4,425,617	10,212,333	21,344,780	14,460,529
General revenues						
Sales tax	29,007,979	32,787,737	-	-	29,007,979	32,787,737
Property tax	18,091,686	19,339,445	-	-	18,091,686	19,339,445
Tax increment	4,335,581	4,154,654	-	-	4,335,581	4,154,654
Franchise tax	7,553,010	8,175,138	-	-	7,553,010	8,175,138
Investment income	335,019	423,299	140,956	201,757	475,975	625,056
Gain on disposal of assets	88,377	8,733	-	-	88,377	8,733
Miscellaneous	293,231	886,476	-	-	293,231	886,476
Total revenues	103,424,037	103,328,312	63,608,594	67,008,776	167,032,631	170,337,088
Expenses						
General government	8,782,415	7,803,536			8,782,415	7,803,536
Community development	4,625,371	5,047,174			4,625,371	5,047,174
Public safety	31,211,599	31,277,858			31,211,599	31,277,858
Highways & public improvements	17,435,624	17,519,124			17,435,624	17,519,124
Parks, recreation, and culture	4,860,134	6,532,138			4,860,134	6,532,138
Debt - Interest and fiscal charges	1,125,599	1,003,851			1,125,599	1,003,851
Water			23,069,940	19,959,645	23,069,940	19,959,645
Sewer			10,068,919	11,562,377	10,068,919	11,562,377
Solid waste			4,952,517	5,002,840	4,952,517	5,002,840
Storm water			4,908,997	4,441,550	4,908,997	4,441,550
Streetlight			1,060,406	837,703	1,060,406	837,703
Total expenses	68,040,742	69,183,681	44,060,779	41,804,115	112,101,521	110,987,796
Increase (decrease) in net position before transfers	35,383,295	34,144,631	19,547,815	25,204,661	54,931,110	59,349,292
Transfers - net	2,467,651	2,574,386	(2,467,651)	(2,574,386)	-	-
Increase (decrease) in net position	37,850,946	36,719,017	17,080,164	22,630,275	54,931,110	59,349,292
Net position at beginning of year	360,788,501	401,816,610	246,348,413	263,444,228	607,136,914	665,260,838
Prior period adjustment	3,177,163	203,873	15,651	-	3,192,814	203,873
Net position at end of year	\$ 401,816,610	\$ 438,739,500	\$ 263,444,228	\$ 286,074,503	\$ 665,260,838	\$ 724,814,003

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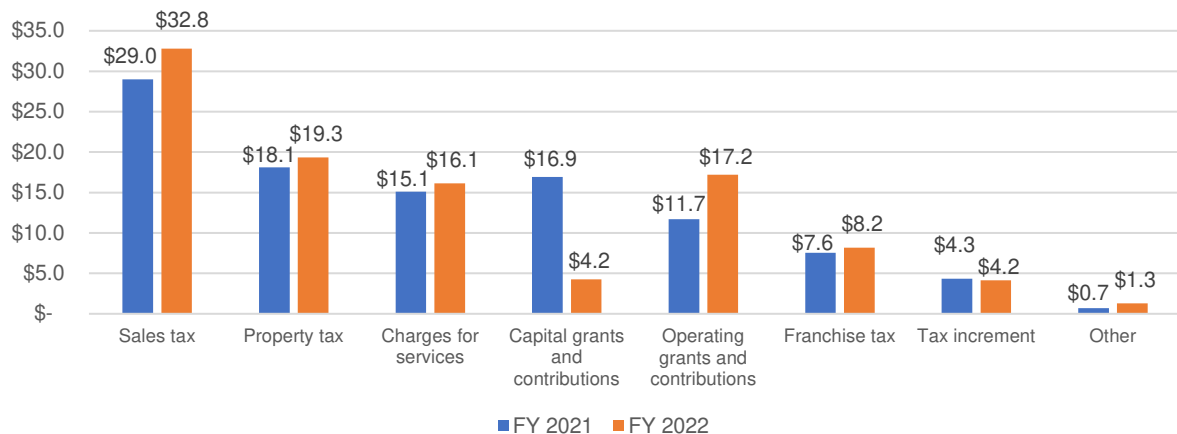
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Excluding prior period adjustments, governmental activities increased the City’s net position by \$36,719,017 which is approximately \$1.1 million less than the prior year’s increase. Key elements affecting this increase in governmental activities net position are as follows:

In total, governmental activities revenue was consistent with the prior year and only decreased by \$95,725 (0.1%). Significant changes are as follows:

- Sales tax growth continued at a rate slightly above inflation (13%) as consumer behavior adjusted to post-pandemic activities including travel, entertainment, recreation, and ‘brick and mortar’ shopping.
- The City adopted a modest 3.4% property tax increase which included a one-time 1.4% judgement levy and 2% on-going increase.
- Increases in utility rates for power and gas resulted in an increase in franchise taxes.
- Developer contributions for the current year (\$2.6 million) were significantly less than the prior year (\$13.7 million) resulting in a dramatic decrease in capital grants and contributions.
- The City received \$13.3 million in federal operating grants from the American Rescue Plan Act of 2021. Of that amount, \$10 million was used for public safety in the form of police services. The remainder of the grant will be used to construct water and sewer infrastructure in the next fiscal year.

*Governmental Activities Revenue
 Year to Year Comparison
 (in millions of \$'s)*



Total governmental activities expense increased by \$1,142,939 (1.7%) from the prior year. Direct expense increased by \$7,457,964 but was reduced by changes in the pension liability. Changes in pension liability decreased expense by \$6,315,025.

In FY 2022, the City enhanced to compensation plan to remain competitive with other government agencies. These changes included the following:

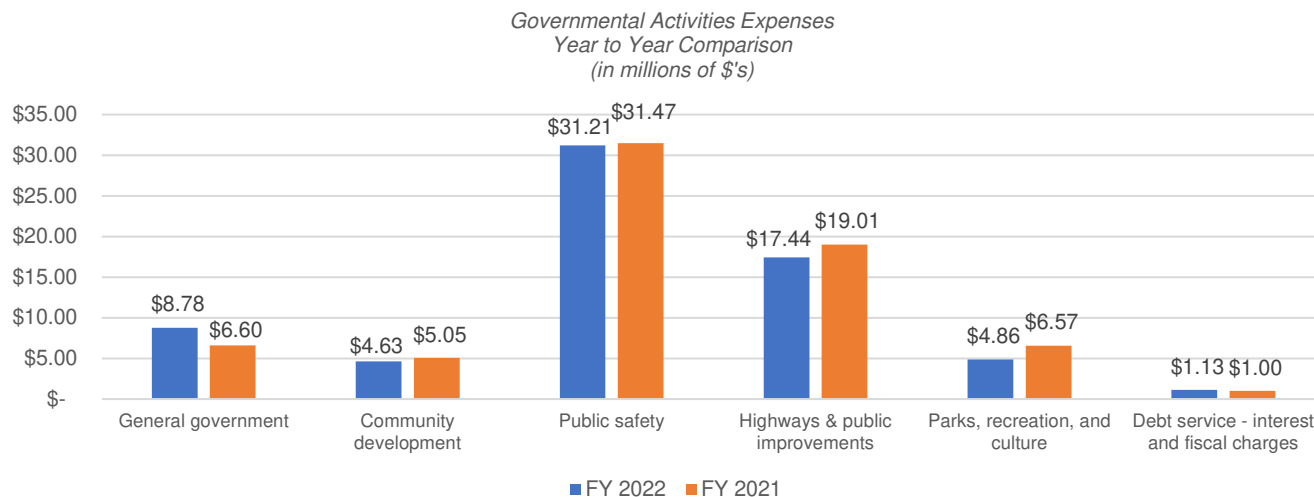
- Complete overhaul of the salary compensation plan for sworn police officers in response to challenges faced during the pandemic and a ‘wage war’ between municipalities and other public safety agencies in an effort to recruit and retain trained officers. This revised plan resulted in a \$2.8 million increase of direct expense in the current year.
- Increased retirement contributions for firefighters by 7.65% which represented the mandatory employee contribution in prior years. This change increased expense by approximately \$600,000.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

- Expenses in community development, highways and public improvements, and parks, recreation, and culture increased by \$2.3 million due to the increased cost of both materials and labor from hyper-inflation as well as a return to pre-pandemic service levels. This includes the restoration of 13 full-time employees to the City’s personnel plan.
- General government expenses decreased by \$686,523 as emergency operations for pandemic-related materials and supplies were no longer necessary or already in place.

Year-end adjustments to the net pension liability decreased expense by \$7.5 million due to favorable market conditions. The table below illustrates the year-to-year expense for pension-related adjustments by reporting category.

Pension expense	FY 2021	FY 2022	Change
General government	\$ (491,402)	\$ (1,133,652)	\$ (642,250)
Community development	(194,459)	(451,770)	(257,311)
Public safety	(2,131,196)	(4,951,041)	(2,819,845)
Highways & public improvements	(328,856)	(732,341)	(403,485)
Parks, recreation, and culture	(104,459)	(247,502)	(143,043)
	<u>\$ (3,250,372)</u>	<u>\$ (7,516,306)</u>	<u>\$ (4,265,934)</u>



Business-type Activities – Business-type activities increased the City’s net position by \$22,630,275. Key elements affecting this change in business-type net position are as follows:

- Total business-type activities revenue increased by 5.3% (\$3.4 million). Developer contributions are a significant portion of this increase, consisting of an increase of \$4.8 million (109%) from the prior year. In addition, charges for services decreased as the state was under severe drought conditions for both the summer of 2022 and 2021 which resulted in the governor calling on citizens to conserve water.
- Total business-type activities expense decreased by 5.1% (\$2.3 million). Decreases were the direct result of a reduced amount of water purchased from the City’s wholesaler.

FUND ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

A. Governmental Funds

The focus of the City's governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The following funds are classified as governmental funds of the City:

- General Fund
- Redevelopment Agency Fund
- Capital Projects Fund
- Municipal Building Authority Fund
- Class C Road Fund
- Fairway Estates
- Highlands Special Improvement District Fund
- KraftMaid Special Improvement District Fund
- Grants Fund
- Community Development Block Grant Fund

As of June 30, 2022, the City's governmental funds reported combined fund balances of \$100,213,073. This represents an increase of \$27,186,146 from last year's ending balances.

Fund balances are classified based on their purpose and availability. Below are the categories of fund balance.

- *Non-spendable* – In a form that cannot be converted to cash (e.g., prepaid item)
- *Restricted* – Legally defined and not available for discretionary spending based on external restrictions
- *Committed* – Committed by formal action for a specific purpose (e.g., cemetery perpetual care), and requires formal action to amend
- *Assigned* – The City intends to use this amount for specific purposes (e.g., capital projects)
- *Unassigned* – Available for spending at the City's discretion

Of the total balance, the following amounts have been classified to:

- *Non-spendable* - \$7,860,816, or 7.8%
- *Restricted* - \$26,969,338, or 26.9%
- *Assigned* - \$37,681,268 or 37.6%
- *Unassigned* - \$27,701,651, or 27.7%

FUND ANALYSIS (continued)

A. Governmental Funds (continued)

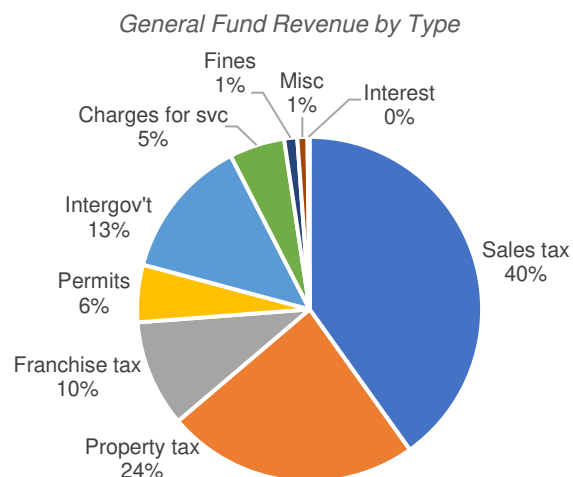
General Fund

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Revenues exceeded expenditures (including other financing sources and uses) by \$6,381,967.

General Fund Revenues

General Fund revenue increased by \$11,982,355 (17.2%) from the prior year from primarily two (2) sources – sales tax and federal grants.

- Taxes continue to be the largest source of revenue in the general fund and represent 73.8% of total general fund revenues. The largest component of tax revenue is sales tax, which represents 54.4% of tax revenues and 40.1% of total general fund revenues. Overall, the City’s diversification between tax revenue sources is relatively balanced and not significantly dependent on one type of revenue which reduces risk to economic change.



In FY 2022, sales tax realized growth of \$3.78 million (13.0%). Prior to the pandemic, the City was averaging base sales tax revenue growth of approximately 6.2 percent. However, during the pandemic, the City’s home improvement, grocery, and general merchandise retailers experienced strong sales. In addition, online sales continued their upward trend. These retail categories compensated for the many others that were no longer providing goods or services at the same level. In order to provide for long-term sustainability and reduced economic risk, the City allocated sales tax in excess of the 5 percent growth for one-time uses.

- This fiscal year, the general fund received \$10 million in federal funding from the American Rescue Plan Act of 2021 (ARPA). This funding is considered one-time revenue by the City.
- In August 2021, the City adopted a property tax increase of 3.4%. The increase had two (2) elements: a 2% on-going property tax increase related to the increased cost of public safety, and a one-year 1.4% judgement levy to recover property tax funds that were not collected for tax year 2021 (FY2022) due to reassessments. The 2% increase was expected to generate \$757,258 in additional on-going property tax revenue, and the one-year judgement levy was expected to generate \$144,675. Property tax realized an actual increase of \$1,247,825 (6.9%) from a combination of the tax increase and new growth from development which added to the tax base.

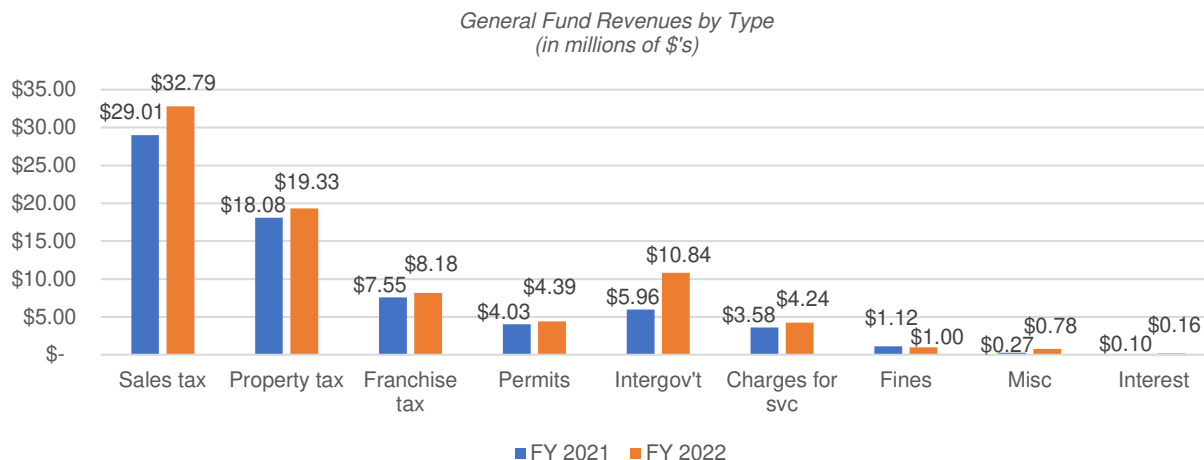


FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

General Fund Revenues (continued)



General Fund Expenditures

General fund expenditures increased by \$3,256,918 (5.7%) to \$60,497,734 in the current year from \$57,240,816 in the prior year. While there were several changes that occurred during the fiscal year to decrease expenditures, the effects of the health pandemic forced the City to spend differently than in the past.

As previously referenced in the Government-Wide Analysis, the City enhanced the compensation plan to remain competitive with other government agencies. These changes included the following:

- Complete overhaul of the salary compensation plan for sworn police officers in response to challenges faced during the pandemic and a ‘wage war’ between municipalities and other public safety agencies in an effort to recruit and retain trained officers. This revised plan resulted in a \$2.8 million increase of direct expenditures in the current year.
- The City increased retirement contributions for firefighters by 7.65% which represented the mandatory employee contribution in prior years. This change increased expenditures by approximately \$600,000.
- As the financial effects of the pandemic were clearer and service levels began to return to pre-pandemic levels, the City restored 13 of the 44 full-time positions that were eliminated in the prior fiscal year. The effect of this change increased expenditures in general government, community development, parks, and highways and improvements by approximately \$1.0 million.
- The City initiated a city-wide benefit enhancement of a 2% retirement match at a 2:1 ratio. This benefit increased expenditures by approximately \$500,000.
- The City restored public events in FY 2022 which increased expenditures by approximately \$350,000 from the previous fiscal year.

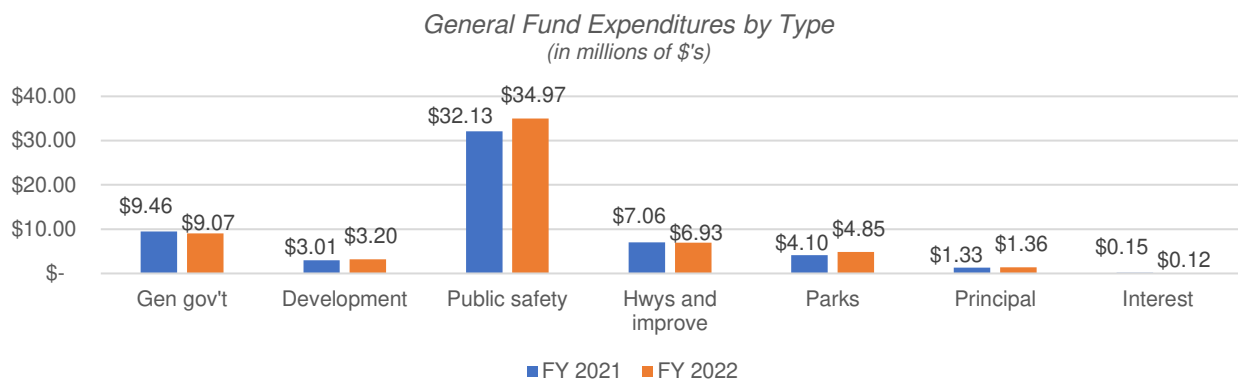
FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

General Fund Expenditures (continued)

- In the prior year, there were significant expenditures directly related to the pandemic in the form of supplies and operational changes that were reported as general government expenditures. These were one-time expenditures that were paid for with federal grants. In the current fiscal year, this change resulted in a savings of \$2.1 million from the prior year.



General Fund Transfers

The City transferred in \$2.57 million from the proprietary funds to the general fund. This is the second year this type of transfer has been approved. The City currently receives a 6% franchise fee from utilities other than those operated by the City in exchange for the use of the City's property for the delivery of those services. In FY 2022, the City approved a transfer of 5% of proprietary utility fund revenue to the general fund for a similar purpose. This resource will provide for continued maintenance of the City's infrastructure.

The City transferred out \$17.4 million from the general fund to the capital projects fund for improvement and maintenance projects. This transfer was sourced with \$2.57 million from the transfer in from the proprietary funds, \$10.0 million savings from police services being supplanted by ARPA funds, and \$4.83 million of sales tax revenue growth in excess of the City's normal pattern of 5% year over year.

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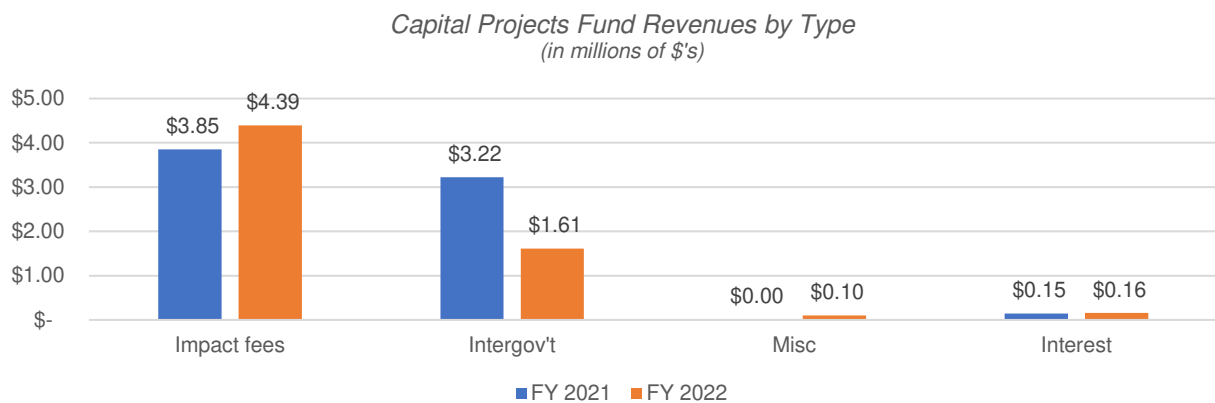
FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Capital Improvement Projects Fund

The capital improvement projects (CIP) fund balance increased by \$17,148,461 to a total of \$53,260,076 in FY 2022.

In FY 2022, the CIP fund reported a decrease (13.2%) in revenue due to a reduction of federal and state grant activity. Impact fee revenue increased by 14.1% as development began to move forward after the pandemic.



Expenditures in FY 2022 increased by \$1,335,080 (26.1%).

- *Highways and public improvements.* The City began construction on the remodel of city hall which has a total project budget of \$10 million. In FY22, the City spent \$965,000 on this project.

The prior fiscal year included some land purchases and developer reimbursements in the amount of \$645,959. The current fiscal year did not have any activity in the same category.

Other road and public improvements remained consistent with the prior year.

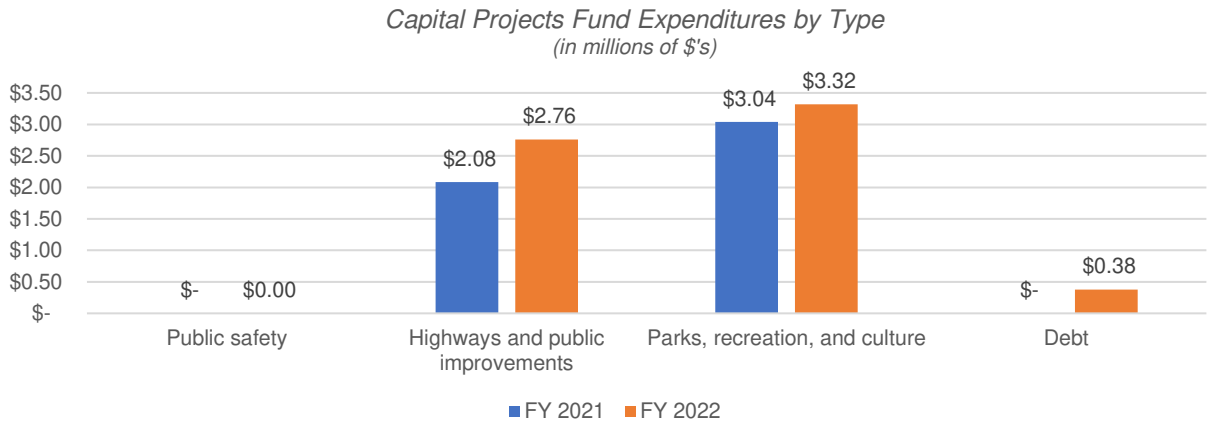
- *Parks, recreation, and culture.* Work continued on the Jordan River Big Bend Project (a river restoration and urban fishery park) and focused efforts on the design and engineering. Project expenditures reduced to \$224,018 from a previous year's amount of \$1,221,427. Work on Maple Hills Park, Ron Wood Park, and other aesthetic and park improvements continued and increased expenditures this year by \$1,262,553 from the prior year.
- *Debt.* The City consolidated the Police Impact Fee Fund and Fire Impact Fee Fund into the CIP Fund in FY22. These funds were reported separately in FY21. This change brought debt service into the CIP fund where it was previously reported separately. The net effect is an increase of \$377,977.

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FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Capital Improvement Projects Fund (continued)



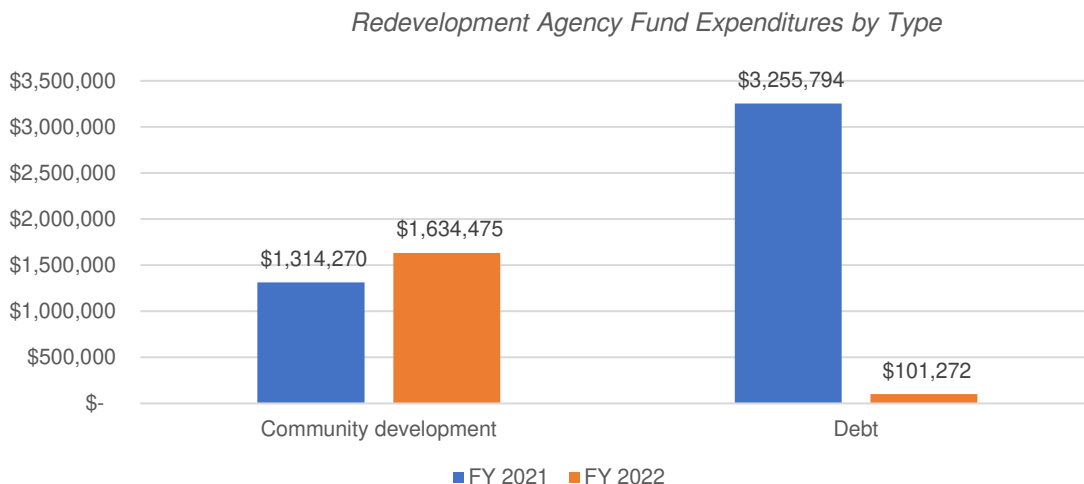
Redevelopment Agency Fund

The RDA fund balance increased \$2,495,968 to a total of \$10,915,242.

During fiscal year 2022, property tax collections from redevelopment areas decreased 4.2% percent to a total of \$4,154,654 from \$4,335,581 in fiscal year 2021. This change is the result of one of the areas receiving a haircut provision and another area collecting for its final tax year.

Expenditures for the agency decreased significantly (62.0%) from the prior year as debt from a land purchase was retired in fiscal year 2021, and the Series 2008 Tax Increment bond final payment was 90% less than the annual payments made in prior years. Combined, this activity resulted in a savings of \$3,154,522.

Expenditures in the form of incentive rebates increased by 24.4% (\$320,205) as milestones and performance measures were met by the developments.



FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Other Non-major Governmental Funds

Class C Roads Fund

The Class C Roads fund balance ended the year at \$4,487,123 from \$3,379,434 in FY 2021. The purpose of this fund is to account for the activities of state-allocated Class C roads revenue and the expenses related to the maintenance and improvements of these roads.

Revenues for this fund increased to \$4,708,843 from \$4,333,557 in FY 2021. This was expected as the source for these funds is fuel sales. According to the U.S. Energy Information Administration, the price per gallon in June of each year increased significantly for two years in a row. In June 2022, the average price per gallon was \$5.032. In June 2021 the price per gallon was \$3.157 following a price per gallon in June 2020 of \$2.17.

Expenses in the current fiscal year increased to \$3,601,154 from \$2,269,792 in FY 2021 as road maintenance work returned following the pandemic. While the expenditures remained consistent with previous years, the amount of work performed decreased as supply shortages continued and inflation pushed costs up.

Community Development Block Grant

The purpose of this fund is to account for the activities of the federally funded community development block grant. Ninety-six percent (96%) of reserves in this fund are from long-term receivables for the housing rehabilitation and low-income housing downpayment assistance programs and a current receivable for federal reimbursement for current year expenditures. Unassigned fund balance represents funds waiting to be reinvested back into the program.

The Community Development Block Grant fund balance ended the year at \$791,641. Of that amount, \$33,454 is unassigned. This fund reports \$613,086 is in the form of a long-term receivable and \$238,354 in current receivables (as discussed above).

In fiscal year 2021, the City was awarded \$612,242 from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to be used to prevent, prepare for, and respond to the COVID-19. At the end of FY2021, the City implemented the City of West Jordan Restaurant Assistance Grant. The purpose of this program was to assist restaurants and food service establishments located within the City while also providing meals to senior citizens in need who are unable to travel and/or frequent restaurants due to the COVID-19 crisis. Residents were allowed to select days and times for meals to be delivery by the selected food establishments at no cost. Food establishments were reimbursed for the meals and delivery costs by the grant. In addition to the restaurant assistance program, other public services were provided assistance for COVID-19 related expenses.

Revenues and expenditures for this fund have a direct nexus to each other since revenues are in the form of reimbursements for expenditures. In the current year, revenues increased by \$433,302 to \$828,250 from \$394,948 in the prior year. This increase consisted of \$326,816 from activity for the CARES Act funding and \$123,379 was related to sidewalk projects in qualified neighborhoods. Both activities had little to no activity in the prior fiscal year.

FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Other Non-major Governmental Funds

Highland Special Improvement District

The Highlands Special Improvement District Fund (Highlands SID) is used to account for the activities of the Highlands SID. The revenue for this fund is generated by a fee charged to the properties within its area which in turn provides for landscaping and streetscaping maintenance within its boundaries.

Activity in the District changed substantially as this was the first full fiscal year the District collected assessments from multi-family residential, commercial, and undeveloped property owners in addition to the already assessed single-family residential property owners. In addition, the City is required to contribute 20% towards the budgeted expenditures each year.

This assessment model was established in the District creation documents but had been under examination for a considerable amount of time. As the revenue sources were instituted, the District service levels were adjusted to provide the intended services per the agreement. This included the addition of a full-time staff member assigned exclusively to the District to manage as well as perform the work.

Revenues increased to \$182,453, plus \$62,400 in the form of contribution from the General Fund. Revenues in FY2021 were \$96,945, plus \$44,000 in the form of contribution from the General Fund.

Expenditures increased to \$242,201 from \$140,828 in the prior year. The increase is attributable to the addition of a full-time staff member as well as increased focus on landscaping maintenance and improvements to the area.

While the District has little to no reserves, the revenues are now sustaining the service levels.

Municipal Building Authority Fund



The Municipal Building Authority's fund balance ended the year at \$1,716,701 from \$1,708,927 in FY 2021. Revenues for this fund come from the lease of the public works building to the City. The lease is paid by the general fund and the proprietary funds. Expenditures decreased as final payment for construction of the building was settled in the prior year. On-going expenditures will be limited to the debt service on the Series 2016 lease revenue bonds.

Other Non-Major Governmental Funds

The Fairway Estates Special Recreation District Fund, Kraftmaid Special Improvement District Fund, and Grants Fund had no significant changes in their activity for the year compared to the previous year.

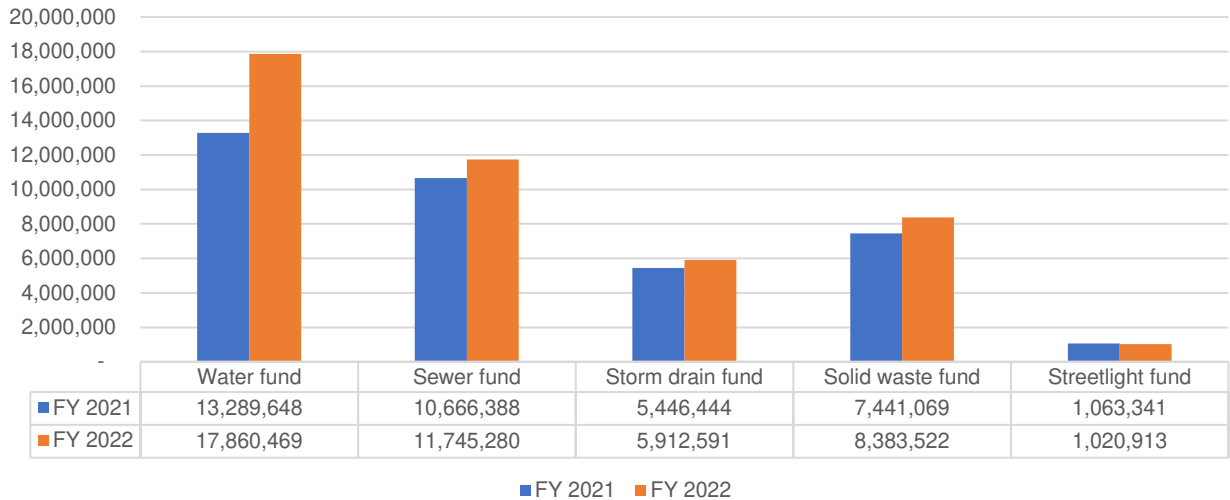


FUND ANALYSIS (continued)

B. Proprietary Funds

A review of the change in net position from year to year is a good analysis tool for the proprietary funds.

*Unrestricted Net Position
 Year to Year Comparison*



Water Fund

The water fund’s unrestricted net position increased this fiscal year by \$4,570,821 to a total of \$17,860,469, which was approximately 65.5% of the current fiscal year’s revenues. In the previous fiscal year, the water fund had an unrestricted net position of \$13,289,648. These reserves are dedicated to the water fund’s five-year plan for the construction of additional water storage tanks and other major infrastructure improvements.

In FY 2022, revenue decreased by \$3,196,148 (10.5%) from the previous year as water customers consumed 16.76% less water than the previous fiscal year. There was no rate increase in the current fiscal year.

Operating expenses decreased by \$2,904,413 (12.7%) from the previous year as customer consumption decreased water purchases which accounted for \$1.9 million of savings. The water fund continued to invest in capital improvement projects such as the automatic metering system and several storage tanks with several storage and delivery projects completed and others entered design and engineering.

The water fund transferred out \$1,356,657 to the general fund which represented 5% of certain charges for service and less than the amount approved in the FY 2022 budget.

(continued on next page)

FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

Sewer Fund

The sewer fund's unrestricted net position increased by \$1,078,892 to a total of \$11,745,280 which is approximately 85.8% of the current fiscal year's revenues. These reserves are intended to support the increased investment in the South Valley Water Reclamation Facility (SVWRF) required to comply with the new federal standards of the Environmental Protection Agency (EPA) as well as system maintenance and upsizing demands.

Revenue increased by \$879,729 (6.93%) over the previous year. Residential sewer fees are recalculated annually based on the individual residence's water use in the months of December through February. Commercial sewer is metered for large industrial users and calculated similar to residents for other commercial users. There was no rate increase in FY 2022.

Operating expenses increased by \$1,505,775 (14.9%) from the previous fiscal year as several sewer projects began construction.

The sewer fund also transferred out \$665,000 to the general fund which represented 4.9% of certain charges for service as well as the maximum approved in the FY 2022 budget.

Storm Water Fund

The storm water fund's unrestricted net position increased by \$466,147 from the previous fiscal year to a total of \$5,912,591. These reserves are intended to support the City's increased cost demands to comply with new federal standards of the Environmental Protection Agency (EPA) and other state requirements for the management and storage of storm water.

Revenues increased by \$190,117 (4.5%) over the previous year which is the result of a 3% storm water rate increase effective July 1, 2021, new growth as well as continued geographic auditing of the fee assessment of this utility.

Operating expenses decreased by \$435,606 (8.9%). The prior year reported a one-time use of professional and technical services of over \$350,000 for resolved litigation.

The storm water fund also transferred out \$216,529 to the general fund which represented 4.9% of certain charges for service as well as the maximum approved in the FY 2022 budget.

(continued on next page)

FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

Solid Waste Fund

Collection fee revenue increased by \$327,942 (5.6%) over the previous year which is the result of a 5.0% rate increase effective in July 2021 and some new growth.

This was the first full year of implementing a dumpster rental fee which generated \$166,100 in revenue. The fee became effective in January 2021 and collected \$97,000 in the prior fiscal year. The fee has not increased since it became effective and is intended to subsidize the dumpster service program which cost the City approximately \$400,000 per year. This service provides a resource for residents to complete large clean-up projects.



Operating expenses increased by \$227,529 (4.1%) due to the increased cost of the collection of garbage and acceptance and treatment of recycling – a cost that continues to grow with changes in the recycling market. The solid waste fund also transferred out \$298,700 to the general fund which represented 4.8% of certain charges for service and the maximum approved

in the FY2022 budget.

The net position less the value of the investment in joint venture is equal to approximately one year and three months' revenue.

Streetlight Fund

Revenues increased by 7.1% over the previous year which was the result of growth and a 1.75% rate increase effective July 1, 2021.

Operating expenses decreased by \$222,703, or 21.0% from the previous year as supply chain issues for materials slowed progress on the City's efforts to add new streetlights and install more energy efficient options into already existing infrastructure. This work will continue over several years.

The streetlight fund also transferred out \$37,500 to the general fund which represented 4.5% of the charges for service and the maximum approved in the FY2022 budget.

The net position less the value of the investment in joint venture is equal to approximately one year and three months' revenue.

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GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, general fund budgeted revenues were amended from \$62,542,024 to \$74,259,027 (18.7% difference).

- \$10,000,000 for federal grants to fund public safety costs (police); and
- \$1,707,000 for changes in sales tax revenue estimates; and
- \$10,000 for police service fees for retailers and special events.

General fund budgeted expenditures were amended from an original budget total of \$62,542,024 to a final budget total of \$81,131,956 (29.7% difference). All departments monitor their budgets closely and are required to stay within their allotment.

- \$1,113,864 for compensation adjustments for police; and
- \$497,000 for overtime due to continued effects of health pandemic; and
- \$200,000 for retirement contributions for fire due to underestimates in budget; and
- \$164,677 for adjustments to personnel costs; and
- \$361,702 for adjustments to allocated services other funds from reorganization of services; and
- \$100,000 for legal professional services related to land use; and
- \$25,000 for operational costs; and
- \$21,350 increased transfer to the Highlands SID for city match requirement of 20% of costs; and
- \$9,396,998 increased transfer to the CIP Fund of savings from police services after federal funding; and
- \$6,709,344 increased transfer to the CIP Fund from one-time revenues (sales tax growth greater than 5%, etc)

Budget to Actual Comparison

During the year, actual revenues were greater than budgeted revenues by \$10,014,254 (13.5%). It is important to remember that primary revenue sources are received between 60-90 days after the close of the fiscal year, and therefore too late to make any amendments to the budget to account for unexpected change. Primary changes include the following:

- \$5,930,797 (22%) in increased sales tax revenue from the effects of inflation and continued changes in consumer behavior from the pandemic (more online sales, changed spending patterns, etc); and
- \$879,583 (4.8%) in increased property tax revenue as new development became assessed; and
- \$985,138 (13.7%) increase in franchise tax revenue from the inflationary cost increases of electricity and gas sold to residents; and
- \$1,858,291 (28.3%) increase in charges for services and miscellaneous revenue as demands for service increased in a post-pandemic environment; and
- \$150,071 (13.0%) decrease in fines and forfeitures as the justice court remained under pandemic orders; and
- \$108,698 increase in interest income as the city had higher cash balances and interest rates increased over the year.
- Other changes were immaterial.

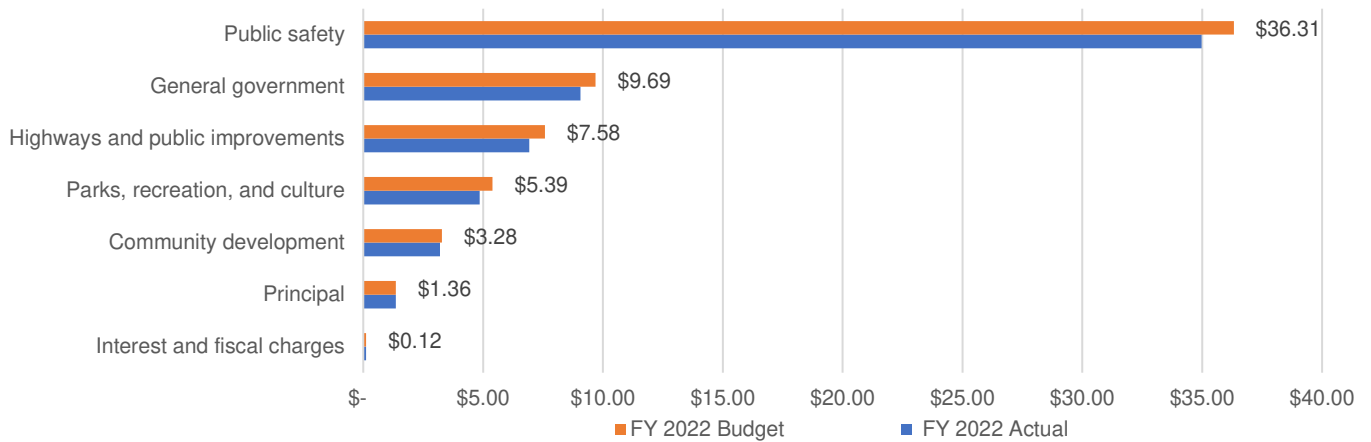


GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Actual expenditures (excluding transfers) were less than budgeted expenditures by \$3,231,912 (4.0%).

- General government – \$623,372 savings (6.4%). The difference is related to personnel savings from turnover and vacancy as well as normal operational savings.
- Public safety - \$1.3 million savings (3.7%). This represents a less than 5% difference and is related to personnel savings (\$933,771) from turnover and normal operational savings (\$378,383).
- Highways and public improvements - \$648,832 savings (8.6%). Approximately \$422,500 of the difference was savings from budgeted outsourced services (\$125,000) and other operational savings (\$297,500). The remaining difference is related to personnel savings from vacancy.
- Parks, recreation, and culture - \$543,885 savings (10.1%). Approximately \$100,000 of this difference is a savings from community events and \$235,000 from normal operational savings in parks maintenance. The remaining differences is related to personnel savings from vacancy.
- Other changes were immaterial.

*FY 2022 Expenditure Budget to Actual by category
 (in millions of \$'s)*



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CAPITAL ASSETS

The City’s net investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$564,042,077. This investment in capital assets includes land, buildings, infrastructure, equipment (leased and owned), intangibles (water shares and capacity rights), and construction in progress less accumulated depreciation and amortization as well as bonds payable. Infrastructure is defined as roads, utility systems, parks, and so forth. The total increase from the previous year of the City’s net investment in capital assets was \$10,805,828 (2.0%).

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
Land	\$ 170,468,970	\$ 170,864,947	\$ 7,485,662	\$ 7,485,662	\$ 177,954,632	\$ 178,350,609
Construction in progress	6,103,403	10,597,906	9,941,383	11,700,315	16,044,786	22,298,221
Buildings	56,738,337	57,030,113	321,357	321,357	57,059,694	57,351,470
Infrastructure	314,731,537	317,893,677	275,977,733	292,274,003	590,709,270	610,167,680
Equipment	27,685,812	29,050,575	2,250,926	678,217	29,936,738	29,728,792
Intangibles	-	1,349,736	30,782,276	32,884,933	30,782,276	34,234,669
Total	\$ 575,728,059	\$ 586,786,954	\$ 326,759,337	\$ 345,344,487	\$ 902,487,396	\$ 932,131,441

During the year, the City spent \$17,520,826 on assets (excluding donated assets).

Major capital asset events during the fiscal year 2022 include:

- The completion of \$2,763,499 of park and trail improvements throughout the city.
- The completion of \$1,589,785 in public facility improvements throughout the city.
- The completion of \$992,409 in road improvements throughout the city.
- The purchase of \$3,432,356 in vehicles and equipment in the fleet fund.
- The completion of \$5,636,511 in water system improvements, including a 4-million-gallon water storage reservoir, the partial completion of another 3-million-gallon water storage reservoir and the design of a yet another 3-million-gallon water storage reservoir as well as other system improvements.
- The completion of \$3,106,266 in sewer system improvements, including a regional detention basin.
- The acceptance of \$11,883,484 in developer-contributed assets including \$2,554,016 in donated roads, land under roads, and sidewalks, \$80,644 in parkstrips, \$2,968,759 in donated water lines, \$3,425,491 in donated sewer lines, and \$2,854,574 in donated storm drain infrastructure.

Additional information on the City’s capital assets can be found in Note 8 in the Notes to the Financial Statements of this report.

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LONG-TERM DEBT

As of June 30, 2022, the City had \$56,664,388 in outstanding long-term debt.

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
General obligation bonds	\$ 2,815,000	\$ 2,135,000	\$ -	\$ -	\$ 2,815,000	\$ 2,135,000
Revenue bonds	26,560,000	24,725,000	10,705,000	9,355,000	37,265,000	34,080,000
Special assessment bonds	96,000	-	-	-	96,000	-
Unamortized bond premiums	1,287,231	1,082,669	1,210,138	968,226	2,497,369	2,050,895
Unamortized discounts/loss	(84,436)	(78,050)	-	-	(84,436)	(78,050)
Leases	2,495,318	2,337,218	-	-	2,495,318	2,337,218
Compensated absences	6,020,964	6,436,651	292,334	305,676	6,313,298	6,742,327
	<u>\$ 39,190,077</u>	<u>\$ 36,638,488</u>	<u>\$ 12,207,472</u>	<u>\$ 10,628,902</u>	<u>\$ 51,397,549</u>	<u>\$ 47,267,390</u>

The City’s total debt (including compensated absences and other long-term liabilities) decreased by \$4,130,159 in FY 2022. The net change is a result of normally scheduled debt service payments in the amount of \$3,961,000, a net decrease in leases of \$158,100 (increase due to the implementation of GASB Statement No. 87 in the amount of \$2,580,422 and decrease due to principal payments in the amount of \$2,738,522), increases in compensated absences in the amount of \$429,029 and a decrease in the amortization of discounts, premiums and refunding cost in the amount of \$440,088 related to outstanding bonds.

The City’s bond rating is Aa3 from Moody’s for its lease revenue bonds, sales tax bonds, and general obligation bonds.

The City’s Environmental, Social, and Governance (ESG) Credit Impact Score from Moody’s is CIS-2 Neutral-to-Low reflecting moderately negative exposure to environmental risks, low-to-moderate exposure to social risks and strong governance.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of the “reasonable fair cash value” of property within the City. Of this percent, a maximum of 4% may be used for general purposes. The current limitation for the City is \$515,146,917, which is significantly in excess of the City’s outstanding general obligation debt. The remaining 4 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 8 percent, may be utilized for water and sewer projects. The current limitation for all debt, including that used for water and sewer projects is \$1,030,293,834 which again significantly exceeds the outstanding city-wide debt.

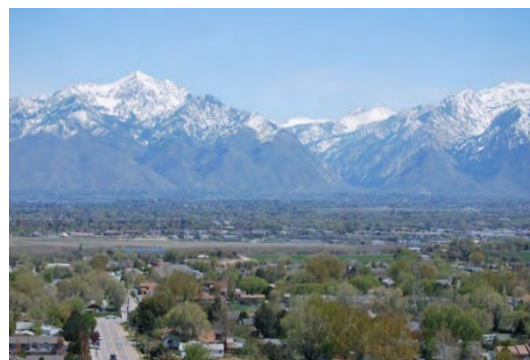
Additional information on the City’s long-term debt can be found in Notes 12 through 15 in the Notes to the Financial Statements of this report.

ECONOMIC FACTORS

According to the U.S. Bureau of Labor Statistics, the unemployment rate in Salt Lake City as of June 2022 was 2.0% as compared to 3.2% of the previous year. The national unemployment rate was 3.6% as of June 2022 as compared to 5.9% of the previous year.

According to the U.S. Bureau of Labor Statistics, in June 2022 the consumer price index (CPI) in the mountain-west region was up 8.8% from a year ago, while the CPI for the nation rose 9.0% for that same period.

Statewide sales tax revenue increased by 13.0% in FY 2022 which may be partially attributed to changes in consumer behavior due to the pandemic as well as the effects of inflation.





NEXT YEAR’S BUDGETS AND RATES

The City continues a conservative approach to budgeting to avoid revenue shortfalls.

A. Next Year’s General Fund Budget

The following chart compares the general fund’s budget for FY 2023 to the report year (FY 2022) for use in understanding the narrative below.

	GENERAL FUND		
	FY 2022 Actual	FY 2023 Budget	Difference
<u>Revenue</u>			
Sales tax	\$ 32,787,737	\$ 28,055,000	-14.4%
Property tax	19,328,278	19,835,836	2.6%
Franchise tax	8,175,138	7,915,000	-3.2%
Licenses and permits	4,390,438	739,500	-83.2%
Intergovernmental	10,844,638	883,800	-91.9%
Charges for services	4,238,155	2,661,500	-37.2%
Fines and forfeitures	999,929	1,100,000	10.0%
Miscellaneous	775,881	572,500	-26.2%
Investment income	158,698	50,000	-68.5%
Total revenues	<u>81,698,892</u>	<u>61,813,136</u>	-24.3%
<u>Expenditures</u>			
General government	9,066,687	9,361,988	3.3%
Community development	3,203,432	1,140,594	-64.4%
Public safety	34,973,084	39,078,873	11.7%
Highways and public improvements	6,927,306	7,753,919	11.9%
Parks, recreation, and culture	4,850,001	6,212,586	28.1%
Debt service:			
Principal	1,355,000	2,775,000	104.8%
Interest and fiscal charges	122,224	95,722	-21.7%
Total expenditures	<u>60,497,734</u>	<u>66,418,682</u>	9.8%
Excess (deficiency) of revenues over (under) expenditures	21,201,158	(4,605,546)	
<u>Other financing sources (uses)</u>			
Sale of capital assets	8,733	-	-100.0%
Transfers in	2,574,386	2,338,665	-9.2%
Transfers out	(17,402,310)	(111,000)	-99.4%
Total other financing sources (uses)	<u>(14,819,191)</u>	<u>2,227,665</u>	-115.0%
Net change of fund balance	\$ 6,381,967	\$ (2,377,881)	

Early Debt Retirement. General fund budgeted expenditures exceed revenues as adopted in FY 2023 due to the retirement of the Series 2015 Sales Tax Revenue Bonds with a one-time payment. This decision was made to remove the annual debt service requirements from the General Fund and thereby reduce the property tax increase.

Development Services Special Revenue Fund. The FY2023 Budget includes the addition of a new special revenue fund for all development services. This fund will report all development-related revenue as well as the associated expenditures for the planning and building divisions. This change affects the licenses and permits and charges for services revenue as well as the community development expenditures in the General Fund.

Wages. The FY2023 Budget includes a large market adjustment based on a full compensation study comparing the City’s wages to their direct competition in other government agencies including adjacent municipalities and special districts. In addition, the budget includes a 6% cost of living adjustment to address the effects of hyper-inflation.

Personnel. In addition, the FY2023 Budget includes the addition of 8.5 new full-time employees (FTE’s) with 1.5 FTE’s in general government, 4 FTE’s in highways and public improvements, and 3 FTE’s in parks, recreation and culture.

NEXT YEAR'S BUDGETS AND RATES (continued)

A. Next Year's General Fund Budget (continued)

Sales Tax Revenue Estimates. Sales tax revenue was based on fiscal year 2019 actual collections as a baseline since that is the last full fiscal year without the financial effects of the health pandemic. Using FY2019 as the baseline and applying a growth factor of 5% each year thereafter. Any additional revenue over this estimate is considered one-time revenue.

Property Tax. The FY 2023 budget includes a property tax rate increase of 5.79% (\$989,235).

Licenses and Permits and Charges for Services. See explanation for Development Services Special Revenue Fund above.

Intergovernmental Revenue. The FY 2023 budget removes any expectation of any federal or state grants in the General Fund.

Transfers In. The FY 2023 budget includes a transfer in amount of \$2,338,665 from the utility funds which represents 5% of budgeted utility revenue. This transfer is similar to taxes (franchise tax) paid to the City by other utilities not owned by the City for the use of rights-of-way and other infrastructure owned by the general fund to provide utility services.

B. Utility Rates

The FY 2023 budget includes the following changes to utility rates.

- Water Fund – 2% rate increase effective October 1, 2022
- Sewer Fund – 2% rate increase effective October 1, 2022
- Solid Waste Fund - 1% rate increase effective October 1, 2022
- Storm Water Fund – 5% rate increase effective October 1, 2022
- Streetlight Fund – No rate increase

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of West Jordan's finances for all interested parties. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

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Administrative Services Director
City of West Jordan
8000 South Redwood Road
West Jordan, Utah 84088
(801) 569-5000
danyce.steck@westjordan.utah.gov

BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2022



West Jordan Grand Parade – July 4, 2022

Government-Wide Financial Statements

STATEMENT OF NET POSITION

	FY22 Governmental Activities	FY22 Business-type Activities	FY22 Total
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 61,121,938	\$ 40,512,016	\$ 101,633,954
Accounts receivable (net of allowance)	1,203,634	5,644,350	6,847,984
Due from other governments	939,700	-	939,700
Due from other funds	30,947,911	-	30,947,911
Internal balances	(122,255)	122,255	-
Inventory	-	3,746,627	3,746,627
Prepaid items	7,887,147	-	7,887,147
Restricted cash	32,345,933	14,256,944	46,602,877
Total current assets	<u>134,324,008</u>	<u>64,282,192</u>	<u>198,606,200</u>
Noncurrent assets			
Due from other funds	8,457,298	-	8,457,298
Pension asset	-	7,618,613	7,618,613
Notes receivable	613,086	-	613,086
Investments in joint ventures	21,555,561	1,740,061	23,295,622
Capital assets			
Land	170,864,947	7,485,662	178,350,609
Construction in progress	10,597,906	11,700,315	22,298,221
Buildings	57,030,113	321,357	57,351,470
Infrastructure	317,893,677	292,274,003	610,167,680
Equipment	29,050,575	678,217	29,728,792
Intangibles	1,349,736	32,884,933	34,234,669
Accumulated depreciation and amortization	(225,062,348)	(98,845,418)	(323,907,766)
Total noncurrent assets	<u>392,350,551</u>	<u>255,857,743</u>	<u>648,208,294</u>
Total assets	<u>526,674,559</u>	<u>320,139,935</u>	<u>846,814,494</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on bond refunding	69,431	-	69,431
Deferred pension costs	7,592,598	612,908	8,205,506
Total deferred outflows of resources	<u>7,662,029</u>	<u>612,908</u>	<u>8,274,937</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	4,924,487	4,652,665	9,577,152
Accrued liabilities	2,628,070	192,994	2,821,064
Bonds and leases payable	3,635,492	1,385,000	5,020,492
Compensated absences	2,893,505	142,335	3,035,840
Due to other funds	-	939,700	939,700
Unearned revenue	-	6,423,329	6,423,329
Liabilities from restricted assets:			
Accounts payable	475,550	1,546,722	2,022,272
Customer deposits	5,055,574	6,908	5,062,482
Interest payable	311,475	39,170	350,645
Unearned revenue	458,544	-	458,544
Total current liabilities	<u>20,382,697</u>	<u>15,328,823</u>	<u>35,711,520</u>
Noncurrent liabilities			
Bonds and leases payable	26,566,344	8,938,226	35,504,570
Compensated absences	3,543,146	163,341	3,706,487
Due to other funds	-	8,457,298	8,457,298
Total noncurrent liabilities	<u>30,109,490</u>	<u>17,558,865</u>	<u>47,668,355</u>
Total liabilities	<u>50,492,187</u>	<u>32,887,688</u>	<u>83,379,875</u>

STATEMENT OF NET POSITION (continued)

	FY22 Governmental Activities	FY22 Business-type Activities	FY22 Total
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred pension gains	22,182,279	1,790,652	23,972,931
Deferred property taxes	<u>22,922,622</u>	-	<u>22,922,622</u>
Total deferred Inflows of resources	<u>45,104,901</u>	<u>1,790,652</u>	<u>46,895,553</u>
<u>NET POSITION</u>			
Net investment in capital assets	329,856,795	234,185,282	564,042,077
Restricted			
Capital	26,426,425	4,994,664	31,421,089
Debt service	892	241,791	242,683
Other purposes	1,011,899	-	1,011,899
Unrestricted	<u>81,443,489</u>	<u>46,652,766</u>	<u>128,096,255</u>
Total net position	<u>\$438,739,500</u>	<u>\$286,074,503</u>	<u>\$724,814,003</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES

	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities							
General government	\$ 7,803,536	\$ 3,155,101	\$ -	\$ -	\$ (4,648,435)	\$ -	\$ (4,648,435)
Community development	5,047,174	5,090,509	828,250	-	871,585	-	871,585
Public safety	31,277,858	3,172,553	11,670,808	-	(16,434,497)	-	(16,434,497)
Highways and public improvements	17,519,124	2,431,735	4,691,750	3,654,016	(6,741,623)	-	(6,741,623)
Parks, recreation, and culture	6,532,138	2,263,928	-	594,180	(3,674,030)	-	(3,674,030)
Debt service - interest and fiscal charges	1,003,851	-	-	-	(1,003,851)	-	(1,003,851)
Total governmental activities	69,183,681	16,113,826	17,190,808	4,248,196	(31,630,851)	-	(31,630,851)
Business-type activities							
Water	19,959,645	28,665,254	-	3,712,378	-	12,417,987	12,417,987
Wastewater	11,562,377	14,817,053	-	3,645,381	-	6,900,057	6,900,057
Solid waste	5,002,840	6,259,928	-	-	-	1,257,088	1,257,088
Storm water	4,441,550	6,024,782	-	2,854,574	-	4,437,806	4,437,806
Streetlight	837,703	827,669	-	-	-	(10,034)	(10,034)
Total business-type activities	\$ 41,804,115	\$ 56,594,686	\$ -	\$ 10,212,333	\$ -	\$ 25,002,904	\$ 25,002,904
General Revenues:							
Sales taxes					\$ 32,787,737	\$ -	\$ 32,787,737
Property taxes					19,339,445	-	19,339,445
Tax increment					4,154,654	-	4,154,654
Franchise taxes					8,175,138	-	8,175,138
Investment income					423,299	201,757	625,056
Gain on disposal of assets					8,733	-	8,733
Miscellaneous					886,476	-	886,476
Transfers - net					2,574,386	(2,574,386)	-
Total general revenue and transfers					68,349,868	(2,372,629)	65,977,239
Change in net position					36,719,017	22,630,275	59,349,292
Net position - beginning					401,816,610	263,444,228	665,260,838
Prior period adjustment					203,873	-	203,873
Net position - ending					\$ 438,739,500	\$ 286,074,503	\$ 724,814,003

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

The general fund is used to account for resources traditionally associated with a government which are not required to be accounted for in another fund.

Capital Projects Fund

The capital projects fund is used to account for the construction of budgeted capital projects of the City. Intergovernmental grants, road impact fees, park impact fees, transfers from the general fund, and interest earnings are the principal sources of funding for these projects.

Redevelopment Agency (RDA) Fund

The RDA fund is used to account for the activities of the Redevelopment Agency. The Agency is an entity established to further public purpose in the redevelopment of particular City areas.

Other Governmental Funds

The Class C Roads Fund, Fairway Estates Fund, Grants Fund, Highlands Special Improvement District Fund, and Kraftmaid Special Improvement District Fund are categorized as non-major governmental funds and are presented by fund type in the Supplementary Information section of this report.

BALANCE SHEET – GOVERNMENTAL FUNDS

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$19,079,882	\$ 16,644,142	\$ 11,213,013	\$ 6,722,246	\$ 53,659,283
Accounts receivable (net)	1,022,268	-	130,985	663,467	1,816,720
Due from other governments	25,364,881	4,295,000	-	1,288,030	30,947,911
Due from other funds	4,490,500	-	9,396,998	115,018	14,002,516
Prepaid items	158,255	-	7,702,561	-	7,860,816
Restricted cash	5,768,424	13	26,432,097	145,399	32,345,933
Total assets	<u>55,884,210</u>	<u>20,939,155</u>	<u>54,875,654</u>	<u>8,934,160</u>	<u>140,633,179</u>
<u>LIABILITIES</u>					
Accounts payable	945,037	1,238,413	1,140,028	881,160	4,204,638
Accrued liabilities	2,091,732	-	-	4,303	2,096,035
Due to other funds	-	4,490,500	-	115,018	4,605,518
Liabilities from restricted assets:					
Accounts payable	-	-	475,550	-	475,550
Deposits	5,055,574	-	-	-	5,055,574
Unearned revenue	458,544	-	-	-	458,544
Total liabilities	<u>8,550,887</u>	<u>5,728,913</u>	<u>1,615,578</u>	<u>1,000,481</u>	<u>16,895,859</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property taxes	18,617,486	4,295,000	-	10,136	22,922,622
Deferred ambulance billings	484,475	-	-	-	484,475
Deferred other	117,150	-	-	-	117,150
Total deferred Inflows of resources	<u>19,219,111</u>	<u>4,295,000</u>	<u>-</u>	<u>10,136</u>	<u>23,524,247</u>
<u>FUND BALANCE</u>					
Nonspendable	158,255	-	7,702,561	-	7,860,816
Restricted	254,306	-	25,956,547	758,485	26,969,338
Assigned	-	10,915,242	19,600,968	7,165,058	37,681,268
Unassigned	27,701,651	-	-	-	27,701,651
Total fund balances	<u>28,114,212</u>	<u>10,915,242</u>	<u>53,260,076</u>	<u>7,923,543</u>	<u>100,213,073</u>
Total liabilities, deferred inflows of resources resources, and fund balances (deficits)	<u>\$ 55,884,210</u>	<u>\$ 20,939,155</u>	<u>\$ 54,875,654</u>	<u>\$ 8,934,160</u>	<u>\$ 140,633,179</u>

Note: In the General Fund, amounts payable from restricted cash are reported as accrued liabilities and deposits.

The accompanying notes are an integral part of this statement.



RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balance - Total Governmental Funds	\$ 100,213,073
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	350,817,035
Long-term liabilities, including bonds payable, capital leases, notes, interest payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(34,408,942)
Deferred outflows relating to the loss on refunding of debt is not a current available resource and therefore is not included in the funds.	69,431
Pension liabilities, pension assets, and deferred inflows and outflows of resources relating to pensions are not current available resources and are therefore not included in the governmental funds.	6,782,925
Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resources measurement focus.	479,370
Internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	14,786,608
Net Position - Governmental Activities	<u>\$438,739,500</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS**

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Sales tax	\$ 32,787,737	\$ -	\$ -	\$ -	\$ 32,787,737
Property tax	19,328,278	-	-	11,167	19,339,445
Tax increment	-	4,154,654	-	-	4,154,654
Franchise tax	8,175,138	-	-	-	8,175,138
Impact fees	-	-	4,394,927	-	4,394,927
Licenses and permits	4,390,438	-	-	-	4,390,438
Intergovernmental	10,844,638	-	1,613,536	5,580,165	18,038,339
Charges for services	4,238,155	-	-	2,032,404	6,270,559
Fines and forfeitures	999,929	-	-	-	999,929
Miscellaneous	775,881	-	100,000	10,595	886,476
Investment income	158,698	77,061	158,282	29,258	423,299
Total revenues	<u>81,698,892</u>	<u>4,231,715</u>	<u>6,266,745</u>	<u>7,663,589</u>	<u>99,860,941</u>
EXPENDITURES					
General government	9,066,687	-	-	17,531	9,084,218
Community development	3,203,432	1,634,475	-	692,375	5,530,282
Public safety	34,973,084	-	2,862	42,633	35,018,579
Highways and public improvements	6,927,306	-	2,760,148	3,737,034	13,424,488
Parks, recreation, and culture	4,850,001	-	3,317,207	242,155	8,409,363
Debt service:					
Principal	1,355,000	96,000	355,000	805,000	2,611,000
Interest and fiscal charges	122,224	5,272	22,977	1,044,996	1,195,469
Total expenditures	<u>60,497,734</u>	<u>1,735,747</u>	<u>6,458,194</u>	<u>6,581,724</u>	<u>75,273,399</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,201,158</u>	<u>2,495,968</u>	<u>(191,449)</u>	<u>1,081,865</u>	<u>24,587,542</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	8,733	-	-	-	8,733
Transfers in	2,574,386	-	17,339,910	62,400	19,976,696
Transfers out	(17,402,310)	-	-	-	(17,402,310)
Total other financing sources (uses)	<u>(14,819,191)</u>	<u>-</u>	<u>17,339,910</u>	<u>62,400</u>	<u>2,583,119</u>
Net change of fund balance	6,381,967	2,495,968	17,148,461	1,144,265	27,170,661
Fund balance at beginning of year	21,732,245	8,419,274	36,111,615	6,779,278	73,042,412
Fund balance at end of year	<u>\$ 28,114,212</u>	<u>\$ 10,915,242</u>	<u>\$ 53,260,076</u>	<u>\$ 7,923,543</u>	<u>\$ 100,213,073</u>

The accompanying notes are an integral part of this statement.



RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - Total governmental funds	\$ 27,170,661
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	(1,263,538)
Revenue recognized in the government-wide statement of activities that are not in the fund statements.	(191,364)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	2,802,618
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	7,081,120
The net revenue of certain activities of the internal service funds are reported with governmental activities.	1,119,520
Change in net position - Governmental activities	<u>\$ 36,719,017</u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund

The Water Fund is used to account for the activities of the City's water operations. This includes the maintenance and improvements needed to support the City's water delivery system.

Sewer

The Sewer Fund is used to account for the activities of the City's sewer operations. The City is a member agency of the South Valley Water Reclamation Facilities. This special district manages the City's wastewater treatment. The sewer connections and sewer lines are the responsibility of the City.

Storm Water Fund

The Storm Water Fund is used to account for the activities of the City's storm water operations. This includes the maintenance and improvements needed to support the City's storm water system.

Non-Major Fund

The Solid Waste Fund and Streetlight Fund are categorized as non-major proprietary funds and are presented by fund type in the Supplementary Information section of this report.

Internal Service Funds

The Fleet Management Fund, IT Management Fund, and Risk Management Fund are classified as internal service funds for the City. These funds 'act' like a business and are therefore reported alongside the proprietary funds; however, their main source of revenue is charges for services provided to and paid for by the other governmental and proprietary funds of the City.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS**

	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ 22,432,676	\$ 11,051,612	\$ 5,497,941	\$ 1,529,787	\$ 40,512,016	\$ 7,462,655
Accounts receivable (net)	3,107,703	1,370,279	456,251	710,117	5,644,350	-
Inventory	3,746,627	-	-	-	3,746,627	-
Prepaid items	-	-	-	-	-	26,331
Restricted cash	-	9,020,789	5,236,155	-	14,256,944	-
Total current assets	29,287,006	21,442,680	11,190,347	2,239,904	64,159,937	7,488,986
Noncurrent assets						
Net pension asset	692,625	518,111	458,002	71,323	1,740,061	566,142
Investments in joint ventures	-	-	-	7,618,613	7,618,613	-
Capital assets						
Land	4,726,043	-	2,759,619	-	7,485,662	-
Construction in progress	8,585,911	981,789	2,132,615	-	11,700,315	330,280
Buildings	321,357	-	-	-	321,357	-
Infrastructure	154,510,467	68,770,976	68,992,560	-	292,274,003	-
Equipment	515,083	150,567	12,567	-	678,217	26,834,072
Intangibles	283,731	32,601,202	-	-	32,884,933	1,349,736
Accumulated depreciation and amortization	(51,102,817)	(25,568,060)	(22,174,541)	-	(98,845,418)	(17,606,517)
Total noncurrent assets	118,532,400	77,454,585	52,180,822	7,689,936	255,857,743	11,473,713
Total assets	147,819,406	98,897,265	63,371,169	9,929,840	320,017,680	18,962,699
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension costs	243,966	182,496	161,324	25,122	612,908	199,415
Total deferred outflows of resources	243,966	182,496	161,324	25,122	612,908	199,415
LIABILITIES						
Current liabilities						
Accounts payable	3,628,348	522,313	52,179	449,825	4,652,665	719,849
Accrued liabilities	77,514	58,425	49,228	7,827	192,994	532,035
Bonds and leases payable	715,000	-	670,000	-	1,385,000	1,055,492
Compensated absences	59,990	36,882	36,580	8,883	142,335	86,954
Due to other funds	380,000	559,700	-	-	939,700	-
Unearned revenue	3,049,030	3,374,299	-	-	6,423,329	-
Liabilities from restricted assets:						
Accounts payable	932,428	231,470	382,824	-	1,546,722	-
Customer deposits	6,908	-	-	-	6,908	-
Interest payable	21,234	-	17,936	-	39,170	27,551
Total current liabilities	8,870,452	4,783,089	1,208,747	466,535	15,328,823	2,421,881
Noncurrent liabilities						
Bonds and leases payable	6,843,226	-	2,095,000	-	8,938,226	1,281,725
Compensated absences	74,615	44,445	33,686	10,595	163,341	89,298
Due to other funds	3,420,000	5,037,298	-	-	8,457,298	-
Total noncurrent liabilities	10,337,841	5,081,743	2,128,686	10,595	17,558,865	1,371,023
Total liabilities	19,208,293	9,864,832	3,337,433	477,130	32,887,688	3,792,904



STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS

	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred pension gains	712,762	533,175	471,318	73,397	1,790,652	582,602
Total deferred Inflows of resources	712,762	533,175	471,318	73,397	1,790,652	582,602
<u>NET POSITION</u>						
Net investment in capital assets	108,922,453	76,686,322	48,576,507	-	234,185,282	8,443,917
Restricted						
Capital	-	-	4,611,840	-	4,611,840	-
Debt service	299	-	241,491	-	241,790	-
Unrestricted	19,219,565	11,995,432	6,293,904	9,404,435	46,913,336	6,342,691
Total net position	\$ 128,142,317	\$ 88,681,754	\$ 59,723,742	\$ 9,404,435	\$ 285,952,248	\$ 14,786,608

The accompanying notes are an integral part of this statement.



**RECONCILIATION OF THE STATEMENT OF NET POSITION – PROPRIETARY FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION FOR BUSINESS-TYPE ACTIVITIES**

Amounts reported for business-type activities in the statement of net position are different because:

Total net position - Proprietary Funds	\$ 285,952,248
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	122,255
Net Position - Business-type Activities	<u>\$ 286,074,503</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total Enterprise	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$27,106,514	\$13,687,557	\$4,393,867	\$7,086,046	\$52,273,984	\$11,070,292
Other	165,561	-	34,038	1,551	201,150	312
Total operating revenues	27,272,075	13,687,557	4,427,905	7,087,597	52,475,134	11,070,604
OPERATING EXPENSES						
Wages and benefits	1,613,829	1,107,212	966,619	214,459	3,902,119	1,758,067
Administrative fees	2,412,971	861,214	851,863	441,723	4,567,771	-
Operations and maintenance	12,815,000	8,290,082	1,220,345	5,978,962	28,304,389	5,036,659
Depreciation and amortization	3,177,131	1,360,850	1,403,170	-	5,941,151	3,312,701
Total operating expenses	20,018,931	11,619,358	4,441,997	6,635,144	42,715,430	10,107,427
Operating income (loss)	7,253,144	2,068,199	(14,092)	452,453	9,759,704	963,177
NONOPERATING REVENUES (EXPENSES)						
Investment income	80,523	62,470	50,405	8,359	201,757	34,216
Intergovernmental revenue	743,619	219,890	-	-	963,509	-
Interest and fiscal charges	(50,264)	-	(63,171)	-	(113,435)	(136,906)
Impact fees	1,393,179	1,129,496	1,596,877	-	4,119,552	-
Equity in income of joint venture	-	-	-	775,413	775,413	-
Gain/(loss) on disposal of assets	-	-	-	-	-	259,035
Total nonoperating revenues (expenses)	2,167,057	1,411,856	1,584,111	783,772	5,946,796	156,345
Income (loss) before contributions and transfers	9,420,201	3,480,055	1,570,019	1,236,225	15,706,500	1,119,522
Capital contributions	2,968,759	3,425,491	2,854,574	-	9,248,824	-
Transfers out	(1,356,657)	(665,000)	(216,529)	(336,200)	(2,574,386)	-
Change in net position	11,032,303	6,240,546	4,208,064	900,025	22,380,938	1,119,522
Total net position, beginning	117,110,014	82,441,208	55,515,678	8,504,410	263,571,310	13,463,213
Prior period adjustment	-	-	-	-	-	203,873
Total net position, ending	\$128,142,317	\$88,681,754	\$59,723,742	\$9,404,435	\$285,952,248	\$14,786,608

The accompanying notes are an integral part of this statement.



RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES FOR BUSINESS-TYPE ACTIVITIES

Amounts reported for business-type activities in the statement of activities are different because:

Change in net position - Proprietary Funds	\$ 22,380,938
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities.	249,337
Change in net position - Business-type activities	<u>\$ 22,630,275</u>

The accompanying notes are an integral part of this statement.



**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 28,777,763	\$ 13,788,368	\$ 4,444,399	\$ 7,086,427	\$ 54,096,957	\$ 11,185,468
Payments to suppliers of goods and services	(10,371,361)	(4,277,180)	(808,102)	(5,956,996)	(21,413,639)	(4,462,439)
Payments to employees for services	(1,856,479)	(1,288,794)	(1,128,854)	(234,882)	(4,509,009)	(1,976,494)
Payment for interfund services	(2,412,971)	(861,214)	(851,863)	(441,723)	(4,567,771)	-
Net cash provided (used) by operating activities	14,136,952	7,361,180	1,655,580	452,826	23,606,538	4,746,535
Cash flows from noncapital financing activities						
Transfers to other funds	(1,356,657)	(665,000)	(216,529)	(336,200)	(2,574,386)	-
Changes to interfund receivables and payables	3,800,000	5,596,998	-	-	9,396,998	-
Net cash provided (used) by noncapital financing activities	2,443,343	4,931,998	(216,529)	(336,200)	6,822,612	-
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	-	-	-	259,035
Proceeds from capital grants	743,619	219,890	-	-	963,509	-
Purchases of capital assets	(5,737,813)	(3,097,013)	(2,111,910)	-	(10,946,736)	(4,218,134)
Changes to leased assets	-	-	-	-	-	203,873
Impact fees	1,393,179	1,129,496	1,596,877	-	4,119,552	-
Principal paid on debt	(931,912)	-	(660,000)	-	(1,591,912)	(158,101)
Interest and fiscal charges paid on capital debt	(52,488)	-	(67,453)	-	(119,941)	(141,679)
Net cash provided (used) by capital and related financing activities	(4,585,415)	(1,747,627)	(1,242,486)	-	(7,575,528)	(4,055,006)
Cash flows from investing activities						
Investment income	80,523	62,470	50,405	8,359	201,757	34,216
Net cash provided by investing activities	80,523	62,470	50,405	8,359	201,757	34,216
Net increase (decrease) in cash and cash equivalents	12,075,403	10,608,021	246,970	124,985	23,055,379	725,745
Cash and cash equivalents - beginning of year	10,357,273	9,464,380	10,487,126	1,404,802	31,713,581	6,736,910
Cash and cash equivalents - end of year	\$ 22,432,676	\$ 20,072,401	\$ 10,734,096	\$ 1,529,787	\$ 54,768,960	\$ 7,462,655
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	\$ 7,253,144	\$ 2,068,199	\$ (14,092)	\$ 452,453	\$ 9,759,704	\$ 963,177
Adjustments to reconcile operating income to net cash provided by:						
Depreciation and amortization	3,177,131	1,360,850	1,403,170	-	5,941,151	3,312,700
(Increase) decrease in receivables	1,505,688	100,811	16,494	(1,170)	1,621,823	114,864
(Increase) decrease in prepaids	13,805	-	-	-	13,805	13,738
(Increase) decrease in inventory	(1,529,164)	-	-	-	(1,529,164)	-
(Increase) decrease in payables	1,016,160	629,813	402,030	18,985	2,066,988	513,360
(Increase) decrease in liabilities	2,700,188	3,201,507	(152,022)	(17,442)	5,732,231	(171,304)
Net cash provided by operating activities	\$ 14,136,952	\$ 7,361,180	\$ 1,655,580	\$ 452,826	\$ 23,606,538	\$ 4,746,535
Noncash investing, capital and financing activities						
Capital contributions, developers	\$ 2,968,759	\$ 3,425,491	\$ 2,854,574	\$ -	\$ 9,248,824	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements



Ribbon cutting for new Pickleball Courts at Ron Wood Park (2022)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of West Jordan (the City) are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental entities. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of West Jordan was incorporated January 10, 1941, under laws of the state of Utah. The City is considered a full-service municipality and provides the following services: public safety, judicial services, highways and streets, sanitation, parks, recreation, water, planning and zoning, and general administrative services.

Form of Government

In November 2017, the citizens of West Jordan voted for this change the form of government from Council-Manager to Council-Mayor. This transition became effective on January 6, 2020.

The Council-Mayor form of municipal government was created by the Laws of Utah 1977, Chapter 48. This form of government has two (2) separate, independent, and equal branches of municipal government consisting of a legislative branch – a council composed of five or seven members, and an executive branch – a mayor and, under the mayor’s supervision, any executive or administrative departments, divisions, and offices and any executive or administrative officers provided for by statute or municipal ordinance.

Under the Council-Mayor form of government, the mayor is the chief executive and administrative officer. He or she exercises the executive and administrative powers of the municipality. The mayor has the responsibility to execute the policies adopted by the council. The mayor appoints, with the council’s advice and consent, qualified persons to the city or town’s officers and positions including such things as recorder and treasurer.

The mayor may veto an ordinance, tax levy, or appropriation passed by the council subject to the council’s power to override the veto.

While not a member of the council, or its chair, the mayor may attend each council meeting, take part in council meeting discussions, and freely give advice to the council.

The council in a municipality operating under a council-mayor form of government is the legislative body of the city or town and by ordinance or resolution determines the broad policy for the city or town and some specific policies such as the manner in which municipal property is bought, sold, traded, encumbered, or otherwise transferred; and a subdivision or annexation is approved, disapproved, or otherwise regulated.

The council enacts laws, appropriates funds and reviews municipal administration. The council elects one of its members to be the chair of the council.

The council may make suggestions or recommendations to the mayor or mayor’s subordinates and investigate any officer, department, or agency of the city or town, but it may not direct or request, other than in writing, the appointment of a person to or the removal of a person from an executive municipal office; interfere in any way with an executive officer’s performance of the officer’s duties; or publicly or privately give orders to a subordinate of the mayor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Financial Accountability and Reporting

The Annual Comprehensive Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in GASB Statement No. 14, as amended. This Statement requires the City to include in this report the activities of any other entity which is determined to be a component unit of the City. The primary criterion which determines this nexus is financial accountability.

The City is financially accountable if the City appoints a voting majority of that organizations board or there is a potential to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City).

Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are combined with data of the primary government.

Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The Redevelopment Agency of West Jordan City (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. Separate financial statements are not issued for the MBA.

The Fairway Estates Special Service Recreation District (District) was established as a separate taxing entity with the purpose of maintaining the streetscapes of the District. The District is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the District is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the District. Separate financial statements are not issued for the District.

Investment in Joint Venture

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities, and the purpose is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the City's activities and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely mainly on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major governmental funds and enterprise funds are reported as separate columns in the financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available is defined as when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources, except for those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the proprietary funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The *Redevelopment Agency Fund* is considered a blended component unit of the City and is reported as a special revenue fund which accounts for the activities of the agency. The agency is an entity established to further public purpose in the redevelopment of six (6) redevelopment project areas, four (4) economic development project areas, two (2) community development project areas, and one (1) community reinvestment project area. The major source of revenue for this fund is tax increment.

Additionally, the City reports the following other governmental fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than sources for major capital projects) that are restricted or committed to expenditures for specified purposes.

Internal Service Funds are used to account for goods or services provided to other funds on a cost-reimbursement basis.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the City's water treatment and distribution operations.

The *Wastewater Fund* accounts for the operation and maintenance of the City's wastewater collection system and sewage treatment.

The *Storm Water Fund* accounts for the activities of the City's storm water drainage system.

The City also reports several non-major proprietary funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The effects of interfund activity have been eliminated from the government-wide financial statements.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

Cash & Cash Equivalents are generally considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the purchase date.

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

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Unbilled sales receivables for June 30, 2022 were estimated based on an average of June and July revenues less year end accounts receivable.

Receivables on the financial statements are shown net of allowance for uncollectible accounts. The allowance adjustment is estimated annually based on historical trends and professional judgment.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Inventories and Prepaid Items

Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection, and treatment systems are valued at cost and accounted for on the first in, first out method. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Cash

Restricted cash is comprised of cash restricted for future debt service payments, intergovernmental contributions towards capital projects, impact fees, and unexpended portions of bonds issued for capital construction.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Land. Acquisition cost (or fair market value), that ready land for use. The costs associated with improvements to land (site preparation and improvements other than buildings) are added to the cost of the land. All acquisitions of land are capitalized. Land is an inexhaustible asset and does not depreciate over time.

Buildings. A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. This class also includes all building improvements. This class of assets has a purchase cost or cost of construction of \$20,000 or greater.

Infrastructure. Long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. These assets are often linear, continuous, or part of a system (water system, wastewater system, storm water system, parks system, sidewalk system, road system). This class also includes all improvements that add value to land, but do not have an indefinite useful life. This class of assets has a purchase cost or cost of construction of \$20,000 or greater.

Machinery and equipment. Items in this class are vehicles, information technology, and similar moveable items. This class of assets has a purchase cost of \$20,000 or greater.

Leased machinery and equipment. Equipment under contract that conveys control of the right to use for a period of time. Control requires both the right to obtain the present service capacity from use of the equipment, and the right to determine the nature and manner of use of the equipment. All leased equipment is capitalized with the exception of leased equipment under a contract with a time period of under 12 months. Lease equipment is depreciated over the life of the lease.

Construction in progress. Costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service (at which time the asset would be reclassified into the appropriate major class).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Buildings, infrastructure, machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 to 45 years
Infrastructure	20 to 50 years
Machinery and equipment	3 to 20 years

Deferred Outflows/Inflows of Resources

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

Items that qualify for reporting in the government-wide statement of net position in this category are the resource related to pensions and losses related to bond refunding.

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

The City has several items, *deferred revenue*, which qualify for reporting in this category on both the government-wide statement of net position and governmental funds balance sheet. Both statements report unavailable revenue due to property taxes, while the governmental funds balance sheet also reports unavailable revenue due to ambulance billing.

In addition, the statement of net position reports *resources related to pensions*, which relates to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. For governmental funds, pension liabilities are typically liquidated through the general fund.

Customer Deposits

Enterprise fund customer deposits are required by the City for residential renters and any business receiving a utility connection. The deposit is refundable after 2 years for residential and business customers upon satisfactory payment history.

(continued on next page)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Property Taxes

In Utah, a municipality is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council holds this authorization for the City of West Jordan and must set a tax rate by June 30th each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st, and real estate and improvement taxes are levied on January 1st and are payable by November 30th.

The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

Pensions

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

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

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, when incurred. The face amount of debt issued is reported as other financing sources. While discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expense or expenditure in the period incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Compensated Absences

For governmental funds, the amount of accumulated vacation leave, sick pay, and comp time not expected to be liquidated with available financial resources is reported as a liability in the government-wide statement of net position and as expense in the government-wide statement of activities. No expenditure is reported for this amount in the fund financial statements. Accumulated vacation leave, sick pay and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Sick pay amounts are charged as expenditures when incurred. Employees may accumulate sick leave without limitation. Upon retirement, a percentage of accumulated sick leave is paid to employees based upon the number of years worked. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

Fund Balance

The City implemented GASB Statement 54, *Fund Balance Reporting in Governmental Fund Types Definitions*, in fiscal year 2011. The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports non-spendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

Non-spendable. This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, long-term receivables, and endowments are classified as non-spendable.

Restricted. This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service, impact fees, unspent capital lease proceeds, grant revenue, police forfeiture money, and liquor allotment from the state of Utah.

Committed. This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City Council has committed the entire fund balance of the Cemetery Perpetual Care Fund for the care and maintenance of the cemetery.

Assigned. This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Finance Director/Budget Officer. This requires the Mayor to propose the resources to be set aside and Council to ratify this action subsequent to the end of the fiscal period. Also included are all remaining amounts that are reported in governmental funds, other than the general fund, that are not classified as non-spendable, restricted, or committed which are intended for specific purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Fund Balance (continued)

Unassigned. This category consists of all other resources that are not required to be reported in one of the other four fund balance categories. This category is only used in the general fund. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance in that fund.

The City currently has multiple general fund assignments as detailed in Note 21 – Fund Balance located in the Notes to the Financial Statements.

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code §10-6-116(4) which requires a fund balance of between 5 percent and 35 percent of total revenues to be maintained in the general fund. For fiscal year 2022, the minimum balance is \$4,084,945 and the maximum balance is \$28,594,612.

When an expenditure is incurred for which amounts from both restricted and unrestricted resources could be used, it is the City's policy to use restricted resources first before using unrestricted resources. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, then assigned, and finally unassigned.

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

The General Fund is the only fund that reports a positive unassigned fund balance amount; however, in other governmental funds, it is not appropriate to report a positive unassigned fund balance amount.

In governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Use of Estimates

Presenting financial statements in conformity with GAAP requires management to make certain estimates concerning assets, liabilities, revenue, and expenses. Actual results may vary from these estimates.

(continued on next page)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget Process

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the state of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with GAAP, and all funds have legally adopted budgets.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to or on the first council meeting in May, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the proposed sources of revenues.
2. Between the date of the Council's receipt of the proposed budget from the Mayor and June 30th, the Council reviews and adjusts the Mayor's proposed budget. On or before June 30th, a public hearing is held and the budget is legally adopted through passage of an ordinance.
3. After the budget is adopted, the Administrative Services Director may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund. Other budget amendments occur throughout the year as deemed necessary with Council approval following a public hearing.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Fund. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.
5. Annual budgets for the General Fund, Capital Projects Fund, and all Special Revenue Funds were prepared on the modified-accrual method of accounting and legally adopted by the City Council.
6. Encumbrances (commitments related to unpaid purchase orders or contracts for goods or services) are used only as an internal management control device during the year. All outstanding encumbrances lapse at year end. However, some encumbered amounts are re-authorized and honored as part of the following year's budget.
7. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus budget for governmental funds.



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position for Governmental Activities

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position.

This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital-related items. When capital assets that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. The statement of net position includes those capital assets among the assets of the City.

Cost of capital assets	\$ 558,272,866
Accumulated depreciation	<u>(207,455,831)</u>
Total difference	<u>\$ 350,817,035</u>

Long-term liability items. Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund statements. All liabilities (both current and long-term) are reported in the statement of net position.

Bonds payable	\$ (26,860,000)
Compensated absences	(6,260,399)
Bond premium, discount, or refunding cost (to be amortized to interest income)	(1,004,619)
Accrued interest payable	<u>(283,924)</u>
Total difference	<u>\$ (34,408,942)</u>

Deferred outflows of resources related to debt. Deferred outflows relating to the loss on refunding of debt is not a current available resource and is not included in the funds.

Deferred bond loss	<u>\$ 69,431</u>
Total difference	<u>\$ 69,431</u>

Pension-related items. Net pension asset, net pension liability, and deferred inflows and outflows related to pensions represent acquisition and consumption of net position that are not applicable in the current period and are not reported in the governmental funds balance sheet. These items are reported in the statement of net position.

Net pension asset	\$ 20,989,419
Deferred pension gains	7,393,183
Deferred pension costs	<u>(21,599,677)</u>
Total difference	<u>\$ 6,782,925</u>



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position for Governmental Activities (continued)

Revenue. Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resource measurement focus.

Deferred ambulance billings	\$ 484,475
Deferred licensing renewal billings	117,150
Internal service fund services to the enterprise funds	(122,255)
Total difference	<u>\$ 479,370</u>

Internal service funds. Internal service funds are used by management to charge the costs of fleet management, IT management, and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.

Ending unrestricted net position, Fleet Management Fund	\$ 2,403,161
Ending unrestricted net position, IT Replacement Fund	2,087,148
Ending unrestricted net position, Risk Management Fund	1,725,945
Net investment in capital assets, Fleet Management Fund	8,570,354
Total difference	<u>\$ 14,786,608</u>

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities for Governmental Activities

Capital assets. The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.

In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Capital outlay	\$ 5,826,829
Depreciation expense	(9,725,027)
Developer contributions	2,634,660
Total difference	<u>\$ (1,263,538)</u>

Revenue. Revenues recognized in the government-wide statement of activities that are not in the fund statements.

Change in deferred ambulance billings	\$ 69,821
Change in deferred licensing renewal billings	(11,848)
Internal service fund services to the enterprise funds	(249,338)
Total difference	<u>\$ (191,365)</u>



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities for Governmental Activities (continued)

Long-term debt. The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the statement of activities. The amount below is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments:	
Sales tax revenue bonds	\$ 1,030,000
General obligation bond	680,000
Special assessment revenue bond	96,000
Lease revenue bond	805,000
Interest expense	(12,944)
Bond premium amortization	204,562
Total difference	<u>\$ 2,802,618</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	\$ (435,186)
Net pension asset	14,374,254
Net pension liability	3,450,619
Deferred pension gains	(399,216)
Deferred pension costs	(9,909,351)
Total difference	<u>\$ 7,081,120</u>

The net revenue of certain activities of the internal service funds are reported with governmental activities.

<i>Change in net position</i> from the Fleet Management Fund	\$ (18,979)
<i>Change in net position</i> from the IT Replacement Fund	444,649
<i>Change in net position</i> from the Risk Management Fund	693,852
Total difference	<u>\$ 1,119,522</u>

C. Explanation of Differences between the Statement of Net Position for Proprietary Funds and the Government-Wide Statement of Net Position for Business-type Activities

The net effect of certain activities of the internal service funds are reported with business-type activities.

Internal balances	\$ 122,255
Total difference	<u>\$ 122,255</u>

(continued on next page)



NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

D. Explanation of Certain Differences between the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position and the Government-Wide Statement of Activities for Business-type Activities

The net revenue (loss) of the internal service funds applicable to business-type activities.

Allocated revenue (loss) from internal service funds	\$ 249,337
Total difference	<u>\$ 249,337</u>

NOTE 3 - PROPERTY TAXES

The Salt Lake County Treasurer acts as an agent for the City and collects and distributes the City’s property tax revenue. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By June 8, the City receives valuation, certified tax rate, and levy worksheet forms via the state of Utah’s certified tax rate website (www.taxrates.utah.gov).
2. Before June 30, the City holds a public hearing and adopts a proposed tax rate. This proposed tax rate is then submitted to the County Auditor for review via the website.
3. Before July 22 (if the City proposes a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
4. By August 17, the City holds a public hearing and adopts the final tax rate and certifies the tax rate with the County Auditor.
5. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
6. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
7. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2022. Most of the tax will not be received until the following fiscal year.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Detailed cash, cash equivalent, and investment accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for deposit and investment purposes.

The City follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a “qualified depository.” The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements, which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City also has its own investment policies which are in alignment with the Act.

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC). Deposits above \$250,000 per bank are exposed to credit risk.

As of June 30, 2022, the City’s bank balance deposit carrying value was \$149,049,163. Of this amount, \$148,785,229 was subject to custodial credit risk because it is uninsured. The City has no formal policy regarding custodial credit risk.

A summary of the City’s bank balances at June 30, 2022 is as follows:

Cash - Bank A	\$ 3,133,840
Cash - Bank B	13,934
Utah Public Treasurer's Investment Fund	145,658,693
Bond Trust Accounts - Bank A	242,683
Bond Trust Accounts - Bank B	13
	<u>\$ 149,049,163</u>

A summary of the City’s cash, cash equivalents, and investments at June 30, 2022 is as follows:

Restricted	\$ 46,602,877
Unrestricted	101,633,954
Total	<u>\$ 148,236,831</u>
Cash	\$ 2,578,139
Cash equivalents and investments	145,658,692
Total	<u>\$ 148,236,831</u>

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Utah Money Management Act (the Act). The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard & Poor's; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable rated securities rated "A" or higher by two nationally recognized statistical rating services as defined in the Act.

The City is authorized to invest in the Utah Public Treasurers' Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The interest income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. The quality ratings for the City's investments are noted in section F below.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted in section F below.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy to limit this risk is to adhere to the rules of the Money Management Council. The Council's rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending on the total dollar amount held in the City's portfolio at the time of purchase.

As of June 30, 2022, the City held no investments outside of the Utah Public Treasurer's Investment Fund which is exempt from the concentration limit.

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

E. Investments

The City's investments are governed by state statutes. The following investment options have been approved for City funds:

1. Negotiable or nonnegotiable deposits of qualified depositories;
2. Repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository;
3. Commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Service or Standard & Poor's;
4. Bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less;
5. Negotiable interest-bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less;
6. Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds;
7. Obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farm Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association;
8. Utah State Treasurer's Investment Fund; and
9. Fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF), which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees, which is allocated to each participant on the ratio of each participant's share to the total funds. The participant's monthly investment amount is based upon their average daily balance.

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

F. Fair Value of Investments

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

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2022, the City's fair value investments in the PTIF were \$ (601,777) more than the amortized cost of \$145,658,693. However, since the PTIF operates under an amortized cost basis the City has not adjusted to fair market value.

As of June 30, 2022, the City's \$145,658,693 investment in the PTIF had an average adjusted maturity of less than one year (Level 2 inputs).

NOTE 5 – RECEIVABLES

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Accounts receivable	Taxes	Inter-governmental	Gross receivables	Less: Allowance for uncollectable accounts	Total receivables, net
General Fund	\$ 1,704,606	\$ 25,364,881	\$ 2,852	\$ 27,072,339	\$ (685,190)	\$ 26,387,149
Redevelopment Agency	-	4,295,000	-	4,295,000	-	4,295,000
Capital Projects	130,985	-	-	130,985	-	130,985
Non-major Governmental	663,482	1,049,676	238,354	1,951,512	(15)	1,951,497
Water	3,183,372	-	-	3,183,372	(75,669)	3,107,703
Sewer	1,383,780	-	-	1,383,780	(13,501)	1,370,279
Storm Water	477,987	-	-	477,987	(21,736)	456,251
Non-major Proprietary	725,805	-	-	725,805	(15,688)	710,117
	<u>\$ 8,270,017</u>	<u>\$ 30,709,557</u>	<u>\$ 241,206</u>	<u>\$ 39,220,780</u>	<u>\$ (811,799)</u>	<u>\$ 38,408,981</u>

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NOTE 6 – INTERFUND TRANSFERS

The City transferred monies between funds to support related capital expenditures in the capital projects fund, contract service subsidization in the Highlands Special Service District, and transfers from the utility funds to the General Fund in lieu of franchise fees.

	General Fund	Capital Projects	Non-Major Governmental	Total
Transfers Out:				
General Fund	\$ -	\$ 17,339,910	\$ 62,400	\$ 17,402,310
Water	1,356,657	-	-	1,356,657
Sewer	665,000	-	-	665,000
Storm Water	216,529	-	-	216,529
Non-major Proprietary	336,200	-	-	336,200
	<u>\$ 2,574,386</u>	<u>\$ 17,339,910</u>	<u>\$ 62,400</u>	<u>\$ 19,976,696</u>

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

The City loans monies between funds for temporary cash flow purposes.

	Due to:		
	General Fund	CIP Fund	Kraftmaid Special Improvement District Fund
Due from:			
Redevelopment Agency Fund	\$ 4,490,500		
Grants Fund			4,448
Community Development Block Grant Fund			110,570
Water Fund		3,800,000	
Sewer Fund		5,596,998	

- A. *Resolution 15-227 approved on December 16, 2015.* A note was authorized from the General Fund to the Redevelopment Agency in the amount of \$4,490,500 for the acquisition of property.

This note will be repaid in full no later than December 31, 2030 and has no interest-bearing rate.

- B. The due to/due between the Grants Fund, Community Development Block Grant Fund and Kraftmaid Special Improvement District Fund is to cover a negative cash position at year-end. This is expected to be paid in full during the next fiscal year.

- C. *Resolution 22-006 approved on April 13, 2022.* A note was authorized from the Capital Projects Fund to the Water Fund in the amount of \$3,800,000 for the construction of the Zone 6 Water Reservoir No. 2.

This note will be repaid in full no later than April 30, 2032 and has a variable interest rate using the PTIF annual interest rate with interest being calculated on the outstanding balance on April 30th of each year.

- D. *Resolution 22-007 approved on April 13, 2022.* A note was authorized from the Capital Projects Fund to the Sewer Fund in the amount of \$5,596,998 for the construction of the New Bingham Sewer Expansion.

This note will be repaid in full no later than April 30, 2032 and has a variable interest rate using the PTIF annual interest rate with interest being calculated on the outstanding balance on April 30th of each year.



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Transfers	Decreases	End Balance
Capital assets, not being depreciated:					
Land	\$ 170,468,970	\$ 395,977	\$ -	\$ -	\$ 170,864,947
Construction in progress	6,103,403	6,618,522	(2,081,691)	(42,328)	10,597,906
Total capital assets, not being depreciated	176,572,373	7,014,499	(2,081,691)	(42,328)	181,462,853
Capital assets, being depreciated:					
Buildings	56,738,337	291,776	-	-	57,030,113
Infrastructure	314,731,537	1,921,771	1,243,819	(3,450)	317,893,677
Machinery and equipment	27,685,810	2,144,169	837,872	(1,617,276)	29,050,575
Leased machinery and equipment	-	1,349,736	-	-	1,349,736
Total capital assets being depreciated	399,155,684	5,707,452	2,081,691	(1,620,726)	405,324,101
Less accumulated depreciation for:					
Buildings	(15,794,175)	(1,318,726)	-	-	(17,112,901)
Infrastructure	(179,956,118)	(8,350,560)	-	3,450	(188,303,228)
Machinery and equipment	(17,895,054)	(2,644,698)	-	1,617,276	(18,922,476)
Leased machinery and equipment	-	(723,743.00)	-	-	(723,743.00)
Total accumulated depreciation	(213,645,347)	(13,037,727)	-	1,620,726	(225,062,348)
Total capital assets, being depreciated, net	185,510,337	(7,330,275)	2,081,691	-	180,261,753
Governmental activities capital assets, net	\$ 362,082,710	\$ (315,776)	\$ -	\$ (42,328)	\$ 361,724,606
Business-type activities	Beg Balance	Increases	Transfers	Decreases	End Balance
Capital assets, not being depreciated:					
Land	\$ 7,485,662	\$ -	\$ -	\$ -	\$ 7,485,662
Construction in progress	9,941,383	9,107,366	(6,946,143)	(402,291)	11,700,315
Intangibles	30,782,276	2,102,657	-	-	32,884,933
Total capital assets, not being depreciated	48,209,321	11,210,023	(6,946,143)	(402,291)	52,070,910
Capital assets, being depreciated:					
Buildings	321,357	-	-	-	321,357
Infrastructure	275,977,733	9,350,127	6,946,143	-	292,274,003
Machinery and equipment	2,250,926	37,701	-	(1,610,410)	678,217
Total capital assets being depreciated	278,550,016	9,387,828	6,946,143	(1,610,410)	293,273,577
Less accumulated depreciation for:					
Buildings	(258,813)	(5,287)	-	-	(264,100)
Infrastructure	(92,083,885)	(5,922,966)	-	-	(98,006,851)
Machinery and equipment	(2,171,979)	(12,898)	-	1,610,410	(574,467)
Total accumulated depreciation and amortization	(94,514,677)	(5,941,151)	-	1,610,410	(98,845,418)
Total capital assets, being depreciated, net	184,035,339	3,446,677	6,946,143	-	194,428,159
Business-type activities capital assets, net	\$ 232,244,660	\$ 14,656,700	\$ -	\$ (402,291)	\$ 246,499,069

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NOTE 8 – CAPITAL ASSETS (continued)

In the government-wide financial statements, depreciation was expensed by program or activity as follows:

Governmental activities:	
General government	\$ 197,976
Community development	35,758
Public safety	2,133,683
Highways and public improvements	8,654,851
Parks, recreation, and culture	<u>2,015,460</u>
Total depreciation expenditure	<u>\$ 13,037,728</u>
Business-type activities	
Water	\$ 3,177,131
Wastewater	1,360,850
Storm Water	<u>1,403,170</u>
Total depreciation expense	<u>\$ 5,941,151</u>

NOTE 9 – INTANGIBLE ASSETS

A. Water Shares

The City reports both water shares and capacity (or use) rights as intangible assets. As of June 30, 2022, the City owned \$283,731 in water shares.

B. South Valley Water Reclamation Facility

South Valley Water Reclamation Facility (SVWRF) was created by an Interlocal Cooperative Agreement dated June 23, 1978 for the purpose of developing, acquiring, constructing, financing, maintaining, repairing, and operating a regional sewage and water treatment plant and related facilities located in the south part of Salt Lake County. On May 20, 2004, the Interlocal Agreement was amended for the purpose of converting SVWRF to a separate legal entity (a special district under State law rather than a joint administrative entity) and to clarify ownership status, facilitate transfers of ownership, and clarify capacity rights. The City uses the cost method rather than the equity method for reporting purposes.

During fiscal year 2012, SVWRF completed an expansion project increasing the operation from 38 million gallons per day to 50 million gallons per day. The right to the capacity has been adjusted in accordance with the proportion of the expansion paid by the participating entity. Participation in plant expansion is not required.

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NOTE 9 – INTANGIBLE ASSETS (continued)

The following entities have capacity rights as of December 31, 2021.

	Percent	Capacity (in millions of gallons per day)
City of West Jordan	36.44%	18.22
South Valley Sewer District	32.40%	16.20
Sandy Suburban Improvement District	17.32%	8.66
Midvalley Improvement District	7.68%	3.84
Midvale City Corporation	6.16%	3.08
Total	100.00%	50.00

Each entity appoints one member to the Board. Voting power is not related to ownership, therefore, each entity is equal to another for voting privileges. Each entity is billed its share of operating costs based on the entity's metered usage. The City paid operating costs of \$6,966,802 and capital contributions of \$2,509,622 to SVWRF for the fiscal year ended June 30, 2022. The City performs an annual assessment to conclude whether an impairment of the intangible has occurred. Impairment would occur if SVWRF could not provide the capacity the City has a right to receive.

NOTE 10 – INVESTMENTS IN JOINT VENTURES

The City is a participant in a joint venture that generates financial resources through member assessments, surcharge taxes, or user fees. The City reflects its equity position (in the net resources of the joint venture) in the funds which have the rights to such resources.

A. Trans-Jordan Cities

The Association was organized May 22, 1968 as a joint enterprise fund of the Cities of Sandy, Midvale, West Jordan, and Murray, Utah. The City of South Jordan, Utah joined the Association during fiscal year 1997. The cities of Draper and Riverton, Utah joined the Association during fiscal year 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site east of Bingham Canyon in Salt Lake County. The City has no firm commitments to make additional equity investments in Trans-Jordan Cities. The City's ownership in the Association is calculated from the tipping fees for the preceding ten fiscal years. The Association is governed by its Board of Directors. Under the organization agreement, the Board of Directors is composed of the Mayors, or their appointed representatives, of the participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

Separate audited financial statements for Trans-Jordan Cities may be obtained from Trans-Jordan Cities, Accounting Department at 10873 South 7200 West, South Jordan, UT 84095.

As of June 30, 2022, the City has a 21.36 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City's equity in the net resources of the Association at June 30, 2022, is reported in the government-wide statement of net position.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$899,089 for fiscal year 2022.

NOTE 11 – INTERLOCAL AGREEMENTS

A. Valley Emergency Communications Center

The City is a member of the Valley Emergency Communications Center (VECC). VECC was organized June 30, 1988, as a joint enterprise between the City, Midvale City, Salt Lake County, Sandy City, South Jordan City, and West Valley City. The primary purpose is to fund and operate a communications center which handles communications and other services for the members, including police, fire, 911 service, dispatch, and records services.

VECC is governed by a Board of Trustees consisting of one representative from each member appointed by the governing body thereof. The activities are funded by a surcharge tax on telephones within each member's city and member assessments. The Board of Trustees sets assessments for all member agencies in amounts sufficient to provide the funds required for the annual budget. VECC determines the 911 assessments for the telephone users within the members' jurisdictions.

Separate audited financial statements for VECC may be obtained from:

Valley Emergency Communications Center
Attn: Finance Director
5360 South 5885 West
West Valley City, UT 84118

Fees paid from the General Fund to Valley Emergency Communications Center Cities were \$1,054,235 for fiscal year 2022.

A. Drug Enforcement Administration - Metro Task Force

The City is a member agency of the Drug Enforcement Administration (DEA) Metro Task Force (the Task Force). The Task Force is an interlocal co-operative organized to investigate and prosecute controlled substance offenders in the Salt Lake metropolitan area. The membership of the Task Force consists of sixteen Federal, State, County, and Municipal law enforcement agencies. Activities of the Task Force are funded through federal and state grants, with no funds being provided by the participating members.

Separate audited financial statements for DEA-Metro Task Force may be obtained from the Salt Lake City Finance Department at 451 South State Street, Room 245, Salt Lake City, UT 84111.

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NOTE 12 – CAPITAL LEASES

The City has entered into lease agreements, as lessee, to finance the acquisition or use of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Governmental Activities						
	Issue Date	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Series 2015-01	12/03/15	\$ 186,573	\$ -	\$ (186,573)	\$ -	\$ -
Series 2017-01	11/16/17	446,976	-	(446,976)	-	-
Series 2018-01	02/14/18	922,089	-	(180,527)	741,562	185,780
Series 2018-02	07/01/18	50,292	-	(50,292)	-	-
Series 2018-03	07/01/18	27,879	-	(27,879)	-	-
Series 2018-04	07/01/18	12,390	-	(12,390)	-	-
Series 2019-01	02/01/19	169,874	-	(169,874)	-	-
Series 2019-02	03/01/19	106,414	-	(106,414)	-	-
Series 2019-03	04/01/19	21,283	-	(21,283)	-	-
Series 2019-04	05/01/19	251,795	-	(60,285)	191,510	62,027
Series 2019-05	06/01/19	183,673	-	(183,673)	-	-
Series 2019-06	07/01/19	123,434	-	(123,434)	-	-
Series 2019-07	08/01/19	277,727	-	(277,727)	-	-
Series 2019-08	08/22/19	687,885	-	(135,562)	552,323	107,954
Series 2019-09	09/01/19	312,372	-	(312,372)	-	-
Series 2019-10	11/01/19	10,259	-	(10,259)	-	-
Series 2020-01	03/01/20	246,049	-	(85,736)	160,313	160,313
Series 2020-02	04/01/20	536,662	-	(187,200)	349,462	349,462
Series 2020-03	06/30/20	17,595	-	(17,595)	-	-
Series 2020-04	07/01/20	34,234	-	(7,258)	26,976	7,425
Series 2020-05	07/01/20	78,499	-	(38,803)	39,696	39,696
Series 2020-06	07/01/20	58,717	-	(29,025)	29,692	29,692
Series 2020-07	08/01/20	115,191	-	(26,983)	88,208	27,603
Series 2020-08	09/01/20	38,465	-	(9,591)	28,874	9,812
Series 2020-09	10/01/20	14,353	-	(7,095)	7,258	7,258
Series 2020-10	11/01/20	28,497	-	(14,086)	14,411	14,411
Series 2021-01	03/01/21	29,559	-	(9,630)	19,929	9,851
Series 2022-01	06/01/22	-	87,004	-	87,004	44,208
Total		\$ 4,988,736	\$ 87,004	\$ (2,738,522)	\$ 2,337,218	\$ 1,055,492

(continued on next page)

NOTE 12 – CAPITAL LEASES (continued)

The assets acquired through capital leases are as follows:

A. Series 2018-01 Lease

Purpose: One (1) fire truck, one (1) 10-wheel truck, one (1) TV inspection vehicle
 Date of issuance: December 14, 2018
 Term: 10 years
 Interest rate: 2.91%
 Original issuance: \$1,640,973
 Issuer: Zions Bank

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$185,780	\$ 21,579	\$ 207,359
2024	191,186	16,173	207,359
2025	118,063	10,610	128,673
2026	121,499	7,174	128,673
2027	125,034	3,638	128,672
	<u>\$741,562</u>	<u>\$ 59,174</u>	<u>\$ 800,736</u>

B. Series 2019-04 Lease

Purpose: One (1) Vactor truck
 Date of issuance: May 1, 2019
 Term: 5 years
 Interest rate: 2.89%
 Original issuance: \$434,894
 Issuer: US Bank

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 62,027	\$ 5,534	\$ 67,561
2024	63,819	3,742	67,561
2025	65,664	1,897	67,561
	<u>\$ 191,510</u>	<u>\$ 11,173</u>	<u>\$ 202,683</u>

(continued on the next page)

NOTE 12 – CAPITAL LEASES (continued)

C. Series 2019-08 Lease

Purpose: One (1) ambulance, two (2) fire trucks
 Date of issuance: August 22, 2019
 Term: 9 years
 Interest rate: 2.28%
 Original issuance: \$912,311
 Issuer: Zions Bank

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 107,954	\$ 13,277	\$ 121,231
2024	110,415	10,816	121,231
2025	69,549	8,298	77,847
2026	71,135	6,713	77,848
2027	72,757	5,091	77,848
2028-2029	120,513	5,167	125,680
	<u>\$ 552,323</u>	<u>\$ 49,362</u>	<u>\$ 601,685</u>

D. Series 2020-01 Lease

Purpose: Eight (8) police vehicles
 Date of issuance: March 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$421,252
 Issuer: Bancorp

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 160,313	\$ 3,687	\$ 164,000
	<u>\$ 160,313</u>	<u>\$ 3,687</u>	<u>\$ 164,000</u>

E. Series 2020-02 Lease

Purpose: Eighteen (18) police vehicles
 Date of issuance: April 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$919,197
 Issuer: Bancorp

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 349,462	\$ 8,038	\$ 357,500
	<u>\$ 349,462</u>	<u>\$ 8,038</u>	<u>\$ 357,500</u>

NOTE 12 – CAPITAL LEASES (continued)

F. Series 2020-04 Lease

Purpose: One (1) police vehicle
 Date of issuance: July 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$42,280
 Issuer: Bancorp

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 7,426	\$ 620	\$ 8,046
2024	19,550	450	20,000
	<u>\$ 26,976</u>	<u>\$ 1,070</u>	<u>\$ 28,046</u>

G. Series 2020-05 Lease

Purpose: One (1) backhoe, three (3) asphalt rollers
 Date of issuance: July 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$119,108
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 39,696	\$ 913	\$ 40,609
	<u>\$ 39,696</u>	<u>\$ 913</u>	<u>\$ 40,609</u>

H. Series 2020-06 Lease

Purpose: One (1) backhoe loader, one (1) mini-excavator
 Date of issuance: July 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$89,092
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 29,692	\$ 683	\$ 30,375
	<u>\$ 29,692</u>	<u>\$ 683</u>	<u>\$ 30,375</u>

NOTE 12 – CAPITAL LEASES (continued)

I. Series 2020-07 Lease

Purpose: Three (3) police vehicles
 Date of issuance: August 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$144,822
 Issuer: Bancorp

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 27,602	\$ 2,029	\$ 29,631
2024	60,606	1,394	62,000
	<u>\$ 88,208</u>	<u>\$ 3,423</u>	<u>\$ 91,631</u>

J. Series 2020-08 Lease

Purpose: One (1) police vehicles
 Date of issuance: September 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$48,941
 Issuer: Bancorp

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 9,812	\$ 664	\$ 10,476
2024	19,062	438	19,500
	<u>\$ 28,874</u>	<u>\$ 1,102</u>	<u>\$ 29,976</u>

K. Series 2020-09 Lease

Purpose: One (1) CAT skid steer loader
 Date of issuance: October 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$19,923
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 7,258	\$ 167	\$ 7,425
	<u>\$ 7,258</u>	<u>\$ 167</u>	<u>\$ 7,425</u>

NOTE 12 – CAPITAL LEASES (continued)

L. Series 2020-10 Lease

Purpose: One (1) CAT skid steer loader
 Date of issuance: November 1, 2020
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$36,876
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 14,411	\$ 331	\$ 14,742
	\$ 14,411	\$ 331	\$ 14,742

M. Series 2021-01 Lease

Purpose: One (1) CAT excavator
 Date of issuance: March 1, 2021
 Term: 3 years
 Interest rate: 2.30%
 Original issuance: \$32,995
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 9,851	\$ 458	\$ 10,309
2024	10,078	232	10,310
	\$ 19,929	\$ 690	\$ 20,619

N. Series 2022-01 Lease

Purpose: Six (6) police motorcycles
 Date of issuance: June 1, 2022
 Term: 2 years
 Interest rate: 3.30%
 Original issuance: \$87,004
 Issuer: Harley-Davidson

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 44,208	\$ -	\$ 44,208
2024	42,796	1,412	44,208
	\$ 87,004	\$ 1,412	\$ 88,416

NOTE 13 – LONG TERM DEBT

The City has outstanding debt related to governmental activities totaling \$21,915,000 in lease revenue bonds, and \$4,945,000 from direct borrowings and/or placements. In addition, the City has outstanding debt related to business-type activities totaling \$6,590,000 in water revenue bonds, and \$2,765,000 from direct borrowings and/or placements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Revenue bonds:					
Series 2016	\$ 22,720,000	\$ -	\$ (805,000)	\$ 21,915,000	\$ 845,000
Notes from direct borrowings and direct placements:					
Series 2008	96,000	-	(96,000)	-	-
Series 2013	1,085,000	-	(355,000)	730,000	360,000
Series 2014	2,815,000	-	(680,000)	2,135,000	695,000
Series 2015	2,755,000	-	(675,000)	2,080,000	(680,000)
	<u>\$ 29,471,000</u>	<u>\$ -</u>	<u>\$ (2,611,000)</u>	<u>\$ 26,860,000</u>	<u>\$ 1,220,000</u>
Business-type activities					
Revenue bonds:					
Series 2021	\$ 7,280,000	\$ -	\$ (690,000)	\$ 6,590,000	\$ 715,000
Notes from direct borrowings and direct placements:					
Series 2016	3,425,000	-	(660,000)	2,765,000	670,000
	<u>\$ 10,705,000</u>	<u>\$ -</u>	<u>\$ (1,350,000)</u>	<u>\$ 9,355,000</u>	<u>\$ 1,385,000</u>

Debt service requirements on long-term debt at June 30, 2022 are as follows:

Year ending June 30	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 845,000	\$ 1,006,225	\$ 1,735,000	\$ 106,518
2024	885,000	962,975	1,775,000	67,998
2025	930,000	917,600	1,435,000	30,647
2026	980,000	869,850	-	-
2027	1,030,000	819,600	-	-
2028-2032	6,010,000	3,248,000	-	-
2033-2037	7,680,000	1,575,025	-	-
2038-2039	3,555,000	143,700	-	-
	<u>\$ 21,915,000</u>	<u>\$ 9,542,975</u>	<u>\$ 4,945,000</u>	<u>\$ 205,163</u>
Year ending June 30	Business-type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 715,000	\$ 263,600	\$ 670,000	\$ 53,364
2024	745,000	235,000	685,000	40,434
2025	775,000	205,200	700,000	27,214
2026	805,000	174,200	710,000	13,704
2027	835,000	142,000	-	-
2028-2030	2,715,000	220,000	-	-
	<u>\$ 6,590,000</u>	<u>\$ 1,240,000</u>	<u>\$ 2,765,000</u>	<u>\$ 134,716</u>



NOTE 13 – LONG TERM DEBT (continued)

Collateral

The City has pledged land, property tax, and sales tax revenue as collateral for the notes from direct borrowings related to governmental activities, and utility sales revenue as collateral for the notes from direct borrowings related to business-type activities.

Events of Default

The outstanding lease revenue bonds related to governmental activities of \$21,915,000 contain a provision that in an event of default, the building becomes the asset of the Trustee and may be sub-leased and/or sold for the repayment of the outstanding amounts.

The City’s outstanding bonds from direct borrowings and direct placements related to governmental activities of \$4,945,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment or to enforce any obligations including the right to require the City to make monthly deposits to the bond fund.

The City’s outstanding bonds from revenue bonds and direct borrowings and/or placements related to business-type activities of \$9,355,000 contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 120 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts become due immediately. These bonds also contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the trustee determines that a material adverse change occurs.

A. Series 2013 Sales Tax Revenue Bonds

Type: Direct Placement
 Purpose: Construction of Fire Station #54
 Date of issuance: December 20, 2013
 Term: 10 years
 Interest rate: 2.29%
 Original issuance: \$3,335,000
 Fund: Fire Impact Fee Fund (60%)
 Police Impact Fee Fund (40%)

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 360,000	\$ 12,596	\$ 372,596
2024	370,000	4,237	374,237
	<u>\$ 730,000</u>	<u>\$ 16,833</u>	<u>\$ 746,833</u>

NOTE 13 – LONG TERM DEBT (continued)

B. Series 2014 General Obligation Refunding Bonds

Type: Direct Placement
 Purpose: Refunding 2006 General Obligation Bonds originally issued for the construction of the Justice Center Building and open space acquisition
 Date of issuance: February 6, 2014
 Term: 20 years
 Interest rate: 0.85% - 3.30%
 Original issuance: \$7,260,000
 Fund: General Fund

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 695,000	\$ 61,558	\$ 756,558
2024	710,000	44,184	754,184
2025	730,000	24,090	754,090
	<u>\$ 2,135,000</u>	<u>\$ 129,832</u>	<u>\$ 2,264,832</u>

C. Series 2015 Sales Tax Revenue Bonds

Type: Direct Placement
 Purpose: Park Improvements and Street Lights
 Date of issuance: April 15, 2015
 Term: 10 years
 Interest rate: 1.86%
 Original issuance: \$6,530,000
 Fund: General Fund

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 680,000	\$ 32,364	\$ 712,364
2024	695,000	19,577	714,577
2025	705,000	6,557	711,557
	<u>\$ 2,080,000</u>	<u>\$ 58,498</u>	<u>\$ 2,138,498</u>

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NOTE 13 – LONG TERM DEBT (continued)

D. Series 2016 Municipal Building Authority Lease Revenue Bonds

Type: Public Offering
 Purpose: Construction of the Public Works Building
 Date of issuance: December 1, 2016
 Term: 20 years
 Interest rate: 3.00% - 5.00%
 Original issuance: \$24,960,000
 Fund: Municipal Building Authority

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 845,000	\$ 1,006,225	\$ 1,851,225
2024	885,000	962,975	1,847,975
2025	930,000	917,600	1,847,600
2026	980,000	869,850	1,849,850
2027	1,030,000	819,600	1,849,600
2028-2032	6,010,000	3,248,000	9,258,000
2033-2037	7,680,000	1,575,025	9,255,025
2038-2039	3,555,000	143,700	3,698,700
	<u>\$ 21,915,000</u>	<u>\$ 9,542,975</u>	<u>\$ 31,457,975</u>

E. Series 2016 Storm Drain Revenue Bonds

Type: Direct Placement
 Purpose: Storm drain infrastructure
 Date of issuance: January 26, 2016
 Term: 10 years
 Interest rate: 1.93%
 Original issuance: \$6,525,000
 Fund: Storm Water Fund (Utility)

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 670,000	\$ 53,364	\$ 723,364
2024	685,000	40,434	725,434
2025	700,000	27,214	727,214
2026	710,000	13,704	723,704
	<u>\$ 2,765,000</u>	<u>\$ 134,716</u>	<u>\$ 2,899,716</u>

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NOTE 13 – LONG TERM DEBT (continued)

F. Series 2021 Water Revenue Bonds

Type: Utility Revenue
 Purpose: Refunding of Series 2013 and 2017 Water Revenue Bonds, both of which were issued for the construction of water storage tanks
 Date of issuance: February 9, 2021
 Term: 10 years
 Interest rate: 4.00%
 Original issuance: \$7,280,000
 Fund: Water Fund (Impact fees)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2023	\$ 715,000	\$ 263,600	\$ 978,600
2024	745,000	235,000	980,000
2025	775,000	205,200	980,200
2026	805,000	174,200	979,200
2027	835,000	142,000	977,000
2028-2030	2,715,000	220,000	2,935,000
	<u>\$ 6,590,000</u>	<u>\$ 1,240,000</u>	<u>\$ 7,830,000</u>

NOTE 14 – TAX ABATEMENTS

Under GASB Statement No. 77, tax abatements are defined as “a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.”

The as the approved the following agreements which are considered tax abatements under the above definition:

A. PayPal Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with PayPal, Inc. on January 9, 2019 for a maximum term of 10 years as an economic development incentive for developing in the Fairchild Economic Development Project Area (EDA #4). This agreement rebates the entity 87% of the business’ personal property tax received by the City for each of the fiscal years up to a maximum rebate of \$6,800,000. Below are the amounts paid per fiscal year and total paid through June 30, 2022.

	Amount
FY 2020	\$ 32,143
FY 2021	273,070
FY 2022	<u>769,354</u>
Total paid	<u>\$ 1,074,567</u>

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NOTE 14 – TAX ABATEMENTS (continued)

B. Aligned Energy Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with Aligned Energy Data Centers (SLC), LLC on March 5, 2018 for a maximum term of 10 years as an economic development incentive for developing in the Fairchild Economic Development Project Area (EDA #4). This agreement rebates the entity a portion of the business' municipal energy tax paid. The agreement allows a rebate of 100% for the first three (3) years and 50% for the following seven (7) years. There is no maximum rebate amount in this agreement.

	Amount
FY 2019	\$ 1,926
FY 2020	28,473
FY 2021	91,767
FY 2022	166,826
Total paid	<u>\$ 288,992</u>

C. Bangerter Station Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with Bangerter Station Associates, LLC on July 11, 2012 and most recently amended on November 8, 2017 for a maximum term of 20 years as an economic development incentive for constructing a mixed-use transit-oriented development in the Jordan Valley Station Project Area (CDA #1). This agreement rebates the entity property tax received by the City for each of the fiscal years up to a maximum rebate of \$21,500,000. Below are the amounts paid per fiscal year and total paid through June 30, 2022.

	Amount
FY 2019	\$ 321,951
FY 2020	329,838
FY 2021	371,309
FY 2022	483,293
Total paid	<u>\$ 1,506,391</u>

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NOTE 15 - OTHER LONG-TERM LIABILITIES

Other long-term liabilities reported include compensated absences and unamortized bond premiums.

For governmental activities these liabilities are reported in the government-wide statement of net position and as expense in the government-wide statement of activities. However, these liabilities are not considered available financial resources and thus not reported in the fund financial statements.

For business-type activities, these liabilities are recorded as expenses and liabilities of those funds as they accrue and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Unamortized bond premium	\$ 1,202,796	\$ -	\$ (198,177)	\$ 1,004,619	\$ 176,774
Compensated absences	6,020,963	5,611,085	(5,195,397)	6,436,651	2,893,505
Total	\$ 7,223,759	\$ 5,611,085	\$ (5,393,574)	\$ 7,441,270	\$ 3,070,279
Business-type activities					
Unamortized bond premium	\$ 1,210,138	\$ -	\$ (241,912)	\$ 968,226	\$ 216,189
Compensated absences	292,334	508,397	(495,055)	305,676	142,335
Total	\$ 1,502,472	\$ 508,397	\$ (736,967)	\$ 1,273,902	\$ 358,524

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance fund which accumulates resources and accounts for uninsured loss. Under this program, the Risk Management Fund (the Fund) provides coverage for up to a maximum of \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund, and for all other risks of loss.

The City purchased commercial insurance for workers compensation and property damage for buildings and equipment with a cost in excess of \$250,000. All other City vehicles are not covered for property damage. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

The City is self-insured for unemployment.

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NOTE 17 – CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities

Grants. Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time; however, the City expects any such amounts to be immaterial.

Legal. The City is a defendant in various claims and suits arising from the ordinary course of business. A provision for loss related to litigation of \$452,000 was recorded in the accompanying financial statements. Management believes that any liability resulting from these matters is adequately covered by this provision.

B. Commitments

Construction and equipment acquisition contracts. The City had active contract commitments on the following projects as of June 30, 2022.

Project type	Remaining commitment
Highways and public improvements	\$ 12,332,525
Parks, recreation, and culture	1,008,108
Water	7,917,256
Sewer	1,938,003
Storm water	225,243
Streetlight	82,364
Fleet management	1,263,413
	\$ 24,766,912

Related-Party Debt. The City is party to an interlocal agreement with South Valley Water Reclamation Facility (SVWRF). SVWRF expanded plant operations from 38 million gallons per day to 50 million gallons per day. The cost of plant expansion has been partially funded with debt.

In addition, SVWRF funded the construction of plant enhancements to comply with updated federal standards with debt.

The following schedule is the City’s estimated share of expansion costs and related debt service payments.

Year ending June 30	Principal	Interest
2023	\$ 2,096,242	\$ 720,851
2024	2,193,902	624,638
2025	2,291,879	523,765
2026	2,399,297	418,111
2027	2,516,474	317,735
2028-2031	7,328,353	455,348
	\$ 18,826,147	\$ 3,060,448



NOTE 18 – REDEVELOPMENT AGENCY

The City of West Jordan Redevelopment Agency (the Agency) is established to further public purposes in the redevelopment of certain City areas.

The following areas are active within the Agency:

RDA Area 1	Town Center	6600-7000 S Redwood
RDA Area 2	Industrial Park	1100-1500 W 7800-8000 South
RDA Area 4	Spratling	1300-1700 W 9000 South
RDA Area 5	Downtown	1900 W 7600-7900 South
RDA Area 6	Briarwood	1500-1825 W 7700-8200 South
EDA Area 2	KraftMaid	10026 S Prosperity Rd
EDA Area 3	Data Center	6200 W 10120 South
EDA Area 4	Fairchild	3333 W 9000 South
CDA Area 1	Jordan Valley Station	3295 W 9000 South

A. Tax Increment

Tax increment was generated by the following project areas with the Agency:

RDA Area 1	\$ 166,640
RDA Area 2	154,105
RDA Area 4	363,338
RDA Area 5	306,528
EDA Area 2	1,234,256
EDA Area 3	554,821
EDA Area 4	884,313
CDA Area 1	490,653
	<u>4,154,654</u>
Interest earnings	77,061
Total	<u>\$ 4,231,715</u>

B. Redevelopment Activity

During the year, the Agency expended monies in the categories below:

Administrative costs	\$ 146,822
Principal	96,000
Interest	4,272
Redevelopment activity	1,488,653
Total	<u>\$ 1,735,747</u>

NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Plan description. Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds.

A. Defined Benefit Plans

The following defined benefit plans are multiple-employer, cost-sharing retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Public Employees Contributory Retirement System (Contributory System)
- Firefighters Retirement System (Firefighters System)

The following defined benefit plan is a cost-sharing, multiple-employer, public employee retirement system:

- Public Safety Retirement system (Public Safety System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)

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

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

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

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Summary of Benefits by System

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65*	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
Firefighters System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year to June 30, 2020 2.00% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

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

(continued on next page)

NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.07%	0.62%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Contributory System				
122 - Tier 2 DB Hybrid Public Safety	N/A	2.27%	23.74%	N/A
Public Safety Noncontributory System				
49 - Other Division B 2.5% COLA	N/A	N/A	32.28%	N/A
Firefighters System				
32 - Division B Tier 1	N/A	16.71%	7.24%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	2.27%	14.08%	N/A
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69%	10.00%
222 - Public Safety	N/A	N/A	9.74%	14.00%
232 - Firefighters	N/A	N/A	0.08%	14.00%

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

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Contribution Rate Summary (continued)

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,742,762	NA
Public Safety System	1,335,853	-
Firefighters System	306,124	-
Tier 2 Public Employees System	920,435	-
Tier 2 Public Safety and Firefighter System	1,257,475	-
Tier 2 DC Only System	85,214	NA
Tier 2 DC Public Safety and Firefighter System	51,294	NA
Total contributions	\$ 5,699,157	\$ -

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

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

At June 30, 2022, the City reported a net pension asset of \$23,295,622 and a net pension liability of \$0.

System	Measurement Date: December 31, 2021			Proportionate Share December 31, 2020	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ 6,473,557	-	1.1303365%	1.1883152%	-0.0579787%
Contributory System	-	-	-%	0.0812730%	-0.0812730%
Public Safety System	2,676,697	-	7.4742883%	8.2001174%	-0.7258291%
Firefighters System	13,910,374	-	5.1426111%	5.3935911%	-0.2509800%
Tier 2 Public Employees System	121,889	-	0.2879919%	0.3112478%	-0.0232559%
Tier 2 Public Safety and Firefighter System	113,105	-	2.2378177%	2.1823537%	0.0554640%
	\$ 23,295,622	\$ -			

The net pension asset and liability were measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, the City recognized a pension expense of \$(2,638,459).

For governmental funds, pension liabilities are typically liquidated through the general fund.



NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pension (continued)

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 2,875,067	\$ 114,568
Changes in assumptions	2,155,397	141,807
Net difference between projected and actual earnings on pension plan investments	-	23,188,197
Changes in proportion and differences between contributions and proportionate share of contributions	293,408	528,359
Contributions subsequent to the measurement date	2,881,634	-
	\$ 8,205,506	\$ 23,972,931

Deferred outflows of resources related to pensions of \$2,881,634 results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (3,426,617)
2023	(6,426,074)
2024	(5,262,165)
2025	(3,824,269)
2026	39,532
Thereafter	250,531

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Noncontributory System Pension Expense and Deferred Outflows and/or Inflows of Resources

At June 30, 2022, the City recognized pension expense of \$(1,174,345).

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 678,035	\$ -
Changes in assumptions	607,567	41,786
Net difference between projected and actual earnings on pension plan investments	-	8,715,777
Changes in proportion and differences between contributions and proportionate share of contributions	12,835	302,549
Contributions subsequent to the measurement date	870,118	-
	<u>\$ 2,168,555</u>	<u>\$ 9,060,112</u>

Deferred outflows of resources related to pensions of \$870,118 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,616,395)
2023	(2,581,262)
2024	(2,115,860)
2025	(1,448,158)
2026	-
Thereafter	-

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Contributory System Pension Expense and Deferred Outflows and/or Inflows of Resources

At June 30, 2022, the City recognized a pension expense of \$(10,145).

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
	\$ -	\$ -

Deferred outflows of resources related to pensions of \$0 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ -
2023	-
2024	-
2025	-
2026	-
Thereafter	-

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Public Safety System Pension Expense and Deferred Outflows and/or Inflows of Resources

At June 30, 2022, the City recognized pension expense of \$380,294.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 1,689,717	\$ -
Changes in assumptions	466,297	78,767
Net difference between projected and actual earnings on pension plan investments	-	5,762,789
Changes in proportion and differences between contributions and proportionate share of contributions	-	225,810
Contributions subsequent to the measurement date	647,997	-
	<u>\$ 2,804,011</u>	<u>\$ 6,067,366</u>

Deferred outflows of resources related to pensions of \$647,997 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (206,873)
2023	(1,374,182)
2024	(1,367,249)
2025	(963,048)
2026	-
Thereafter	-

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Firefighters System Pension Expense and Deferred Outflows and/or Inflows of Resources

At June 30, 2022, the City recognized pension expense of \$(2,855,227).

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 351,176	\$ 80,284
Changes in assumptions	840,959	-
Net difference between projected and actual earnings on pension plan investments	-	8,062,746
Changes in proportion and differences between contributions and proportionate share of contributions	178,705	-
Contributions subsequent to the measurement date	151,826	-
	\$ 1,522,666	\$ 8,143,030

Deferred outflows of resources related to pensions of \$151,826 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (1,472,120)
2023	(2,307,905)
2024	(1,656,634)
2025	(1,335,527)
2026	-
Thereafter	-

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

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

At June 30, 2022, the City recognized pension expense of \$423,122.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 59,216	\$ 15,704
Changes in assumptions	113,652	1,152
Net difference between projected and actual earnings on pension plan investments	-	301,172
Changes in proportion and differences between contributions and proportionate share of contributions	60,658	-
Contributions subsequent to the measurement date	510,462	-
	\$ 743,988	\$ 318,028

Deferred outflows of resources related to pensions of \$510,462 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (56,713)
2023	(72,671)
2024	(52,751)
2025	(30,425)
2026	23,440
Thereafter	104,617

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Tier 2 Public Safety and Firefighter System Pension Expense and Deferred Outflows and/or Inflows of Resources

At June 30, 2022, the City recognized pension expense of \$597,842.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 96,921	\$ 18,581
Changes in assumptions	126,922	20,102
Net difference between projected and actual earnings on pension plan investments	-	345,713
Changes in proportion and differences between contributions and proportionate share of contributions	41,210	-
Contributions subsequent to the measurement date	701,231	-
	<u>\$ 966,284</u>	<u>\$ 384,396</u>

Deferred outflows of resources related to pensions of \$701,231 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (74,515)
2023	(90,050)
2024	(69,671)
2025	(47,111)
2026	16,092
Thereafter	145,914

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average (including inflation)
Investment rate of return	6.85 percent, net of pension plan investment expense (including inflation)

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target asset allocation	Real return arithmetical basis	Long-term expected portfolio real rate of return
Equity securities	37.00%	6.58%	2.43%
Debt securities	20.00%	(0.28)%	(0.06)%
Real assets	15.00%	5.77%	0.87%
Private equity	12.00%	9.85%	1.18%
Absolute return	16.00%	2.91%	0.47%
Cash and cash equivalents	0.00%	(1.01)%	0.00%
Total	100.00%		4.89%

Inflation	2.50%
Expected arithmetical nominal return	7.39%

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

NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

A. Defined Benefit Plans (continued)

Actuarial Assumptions (continued)

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

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

	1% decrease (5.85%)	Discount rate (6.85%)	1% increase (7.85%)
Noncontributory System	\$ 3,481,028	\$ (6,473,558)	\$ (14,778,719)
Public Safety System	4,913,378	(2,676,697)	(8,861,403)
Firefighters System	(5,641,755)	(13,910,374)	(20,694,346)
Tier 2 Public Employees System	726,241	(121,889)	(773,076)
Tier 2 Public Safety and Firefighter System	907,383	(113,105)	(923,231)
	<u>\$ 4,386,275</u>	<u>\$ (23,295,623)</u>	<u>\$ (46,030,775)</u>

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

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NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)

B. Defined Contribution Savings Plan

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

The City of West Jordan participates in the following defined contribution savings plans with Utah Retirement Systems.

- 401(k) plan
- 457(b) plan
- Roth IRA plan
- Traditional IRA plan

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

	FY 2020	FY 2021	FY 2022
401 (k) Plan			
Employer contributions	\$ 295,735	\$ 280,102	\$ 330,526
Employee contributions	36,560	61,676	156,417
457 Plan			
Employer contributions	66,703	84,906	93,220
Employee contributions	21,625	18,447	275,960
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	-	400	50,176
Traditional IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	-	-	365

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NOTE 20 – DEFERRED COMPENSATION

A. Deferred Compensation Plan (457)

The City offers its employees a deferred compensation plan (the plan) through MissionSquare Retirement Corporation and through the Utah Retirement Systems (URS) created in accordance with Internal Revenue Code (IRC) Section 457.

The MissionSquare plan, available to all City employees, permits the deferral of a portion of salary until future years. Participation in this plan is optional.

The URS plan limits participation of part-time employees to a noncontributory basis.

Both investment plans are managed by the plans' trustee under one of four investment options or a combination thereof. The choice of investment options is made by the participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. These investments are within the legal provisions of the State of Utah.

B. Defined Contribution Money Purchase Plan

The City also participates in insured, contributory defined contribution retirement plans administered by MissionSquare Retirement Corporation. Under the plan, the City contributes amounts from 1.16% to 32.28% depending upon the defined contribution system to which each employee class belongs. Employees are classified as management, general employee, police, or fire.

An employee is vested immediately with the first contribution to MissionSquare Retirement Corporation. Contributions to the plan were authorized by Council resolution. The plan was established by and can be amended by City Council. No other federal or state laws obligate the City to participate in this plan. The program is pursuant to section 401(A) and 401(C) of the Internal Revenue Code. Withdrawals of monies, per federal law are subject to a mandatory withdrawal penalty in the amount of 10% unless the employee has attained the age of 59 ½ years. Most of the City's full-time employees participate in the MissionSquare Retirement Corporation.

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NOTE 20 – DEFERRED COMPENSATION

C. Sick Leave Conversion Benefit

At retirement, employees may choose to participate in the City’s health insurance program at their own cost. Qualified employees may convert their sick leave balance, upon leaving City employment, to pay for continued medical and dental insurance premiums. To qualify for the City’s sick leave conversion benefit, an employee must be a full-time employee with at least ten (10) years of service with the City or five (5) years of service with the City at age 60 to be considered a retired employee with the City of West Jordan.

The percentage of convertible sick leave hours varies based on the retiree’s years of service.

<u>Years of service</u>	<u>Conversion percentage</u>
5 - 9 years	40%
10-14 years	50%
15-19 years	60%
20 or more years	70%

As of December 19, 2009, this benefit value is capped at \$5,000. Employees who had a benefit value greater than that amount on that date may receive a greater benefit.

The City’s regular health and dental care benefit providers underwrite the retiree policies and 100% of the cost is the responsibility of the retiree. As of year-end, there were four (4) employees participating in this program.

In the governmental funds, the liability for sick leave conversion is reported only if they have matured, (i.e., unused sick leave has been converted to pay a health insurance premium for a retired employee). These conversion costs are typically liquidated through the General Fund. The noncurrent portion of these amounts for government funds is recognized within the government-wide statements. A liability for the sick leave conversion has been accrued in the amount of \$1,216,007 in governmental activities, and \$99,165 in business-type activities for a total accrual amount of \$1,315,172.

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NOTE 21 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable					
Prepays	\$ 158,255	\$ -	\$ 7,702,561	\$ -	\$ 7,860,816
Restricted					
Debt service	593	-	-	298	891
Impact fees	-	-	20,289,013	-	20,289,013
Donations	-	-	50,000	-	50,000
Federal funds	-	-	-	758,187	758,187
State funds	253,713	-	5,617,534	-	5,871,247
Assigned					
Redevelopment	-	10,915,242	-	-	10,915,242
Debt service	-	-	-	-	-
Limited purpose fund	-	-	-	7,165,058	7,165,058
Community center	-	-	5,627,291	-	5,627,291
Capital projects	-	-	13,973,677	-	13,973,677
Unassigned	27,701,651	-	-	-	27,701,651
	<u>\$ 28,114,212</u>	<u>\$ 10,915,242</u>	<u>\$ 53,260,076</u>	<u>\$ 7,923,543</u>	<u>\$ 100,213,073</u>

NOTE 22 – PRIOR PERIOD ADJUSTMENTS

During the implementation of GASB 87, the City recognized the leases for police vehicles which the City intends to purchase at the end of the lease. The useful life of these vehicles is 5 years which is 2 years in excess of the 3-year lease period. As such, the implementation created an asset value in excess of the lease value which resulted in a prior period adjustment in the Fleet Management Fund.

The following prior period adjustment is reported:

	Adjustment Amount
Internal Service Fund:	
Fleet Management Fund	\$ 203,873
Total Prior Period Adjustment	<u>\$ 203,873</u>

NOTE 23 – SUBSEQUENT EVENTS

On July 14, 2022, the City retired the Series 2015 Sales Tax Revenue Bonds in the amount of \$2,088,812 (\$2,080,000 in principal and \$8,812 in interest). This was an early redemption intended to reduce the obligation from the General Fund and resulting in a smaller property tax increase in FY 2023.

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NOTE 24 - RECENT ACCOUNTING PRONOUNCEMENTS

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of the implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 87, <i>Leases</i>	2022
GASB Statement No. 89, <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
GASB Statement No. 91, <i>Conduit Debt Obligations</i>	2023
GASB Statement No. 92, <i>Omnibus 2020</i>	2022
GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i>	2022
GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i>	2023
GASB Statement No. 97, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.</i>	2022
GASB Statement No. 98, <i>The Annual Comprehensive Financial Report</i> "	2022
Implementation Guide No. 2019-3 <i>Leases</i>	2022

REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2022



West Jordan Fire Department (April 2022)



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GENERAL FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Sales tax	\$ 25,150,000	\$ 26,857,000	\$ 32,787,737	\$ 5,930,737
Property tax	18,448,695	18,448,695	19,328,278	879,583
Franchise tax	7,190,000	7,190,000	8,175,138	985,138
Licenses and permits	3,325,500	3,325,500	4,390,438	1,064,938
Intergovernmental	639,300	10,639,300	10,844,638	205,338
Charges for services	3,543,500	3,553,500	4,238,155	684,655
Fines and forfeitures	1,150,000	1,150,000	999,929	(150,071)
Miscellaneous	449,000	449,000	775,881	326,881
Investment income	50,000	50,000	158,698	108,698
Total revenues	59,945,995	71,662,995	81,698,892	10,035,897
EXPENDITURES				
General government				
Legislative services	511,884	509,884	440,383	(69,501)
Mayor	489,891	564,960	564,814	(146)
Administrative services	1,330,986	1,406,974	1,279,762	(127,212)
Communications	423,120	406,080	315,613	(90,467)
Justice court	860,000	860,000	832,852	(27,148)
Legal services	1,788,059	1,929,559	1,776,539	(153,020)
Non-departmental	3,959,602	4,012,602	3,856,724	(155,878)
Total general government	9,363,542	9,690,059	9,066,687	(623,372)
Community development				
Boards and commissions	16,650	16,650	11,440	(5,210)
Community preservation	638,273	653,273	653,217	(56)
Development services	2,151,762	2,180,080	2,162,331	(17,749)
Economic development	403,993	425,993	376,444	(49,549)
Total community development	3,210,678	3,275,996	3,203,432	(72,564)
Public safety				
Fire department	12,550,159	13,247,159	12,988,127	(259,032)
Police department	21,917,667	23,067,781	21,984,957	(1,082,824)
Total public safety	34,467,826	36,314,940	34,973,084	(1,341,856)
Highways and public improvements				
Engineering	1,134,995	1,169,995	1,112,159	(57,836)
Facilities management	1,580,857	1,590,857	1,534,522	(56,335)
GIS	318,029	333,029	310,219	(22,810)
Public works administration	374,851	287,419	287,323	(96)
Streets and highways	4,194,838	4,194,838	3,683,083	(511,755)
Total highways and public improvements	7,603,570	7,576,138	6,927,306	(648,832)
Parks, recreation, and culture				
Parks and recreation	4,982,040	5,222,763	4,712,779	(509,984)
Cemetery	161,123	171,123	137,222	(33,901)
Total parks, recreation, and culture	5,143,163	5,393,886	4,850,001	(543,885)
Debt service				
Principal	1,355,000	1,355,000	1,355,000	-
Interest and fiscal charges	123,624	123,624	122,224	(1,400)
Total debt service	1,478,624	1,478,624	1,477,224	(1,400)
Total expenditures	61,267,403	63,729,643	60,497,734	(3,231,909)
Excess (deficiency) of revenues over (under) expenditures	(1,321,408)	7,933,352	21,201,158	13,267,806
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	8,733	8,733
Transfers in	2,596,029	2,596,029	2,574,386	(21,643)
Transfers out	(1,274,621)	(17,402,313)	(17,402,310)	3
Net other financing sources (uses)	1,321,408	(14,806,284)	(14,819,191)	(12,907)
Net change in fund balance	\$ -	\$ (6,872,932)	\$ 6,381,967	\$ 13,254,899
Fund balance at beginning of year			21,732,245	
Fund balance at end of year			\$ 28,114,212	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 REDEVELOPMENT AGENCY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Tax increment	\$ 4,055,500	\$ 4,055,500	\$ 4,154,654	\$ 99,154
Investment income	22,305	22,305	77,061	54,756
Total revenues	4,077,805	4,077,805	4,231,715	153,910
<u>EXPENDITURES</u>				
Community development	11,123,176	11,123,176	1,634,475	(9,488,701)
Debt service				
Principal	96,000	96,000	96,000	-
Interest and fiscal charges	4,272	4,272	5,272	1,000
Total expenditures	11,223,448	11,223,448	1,735,747	(9,487,701)
Excess (deficiency) of revenues over (under) expenditures	(7,145,643)	(7,145,643)	2,495,968	9,641,611
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	3,000,000	3,000,000	-	(3,000,000)
Net other financing sources (uses)	3,000,000	3,000,000	-	(3,000,000)
Net change in fund balance	\$ (4,145,643)	\$ (4,145,643)	2,495,968	\$ 6,641,611
Fund balance at beginning of year			8,419,274	
Fund balance at end of year			\$ 10,915,242	



**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 UTAH STATE RETIREMENT SYSTEM
 LAST 10 CALENDAR YEARS ¹**

Description	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)						
2014	1.7011000%	0.3240027%	8.2965555%	4.9048915%	0.2024813%	2.6819950%
2015	1.2273040%	0.4138862%	9.7373100%	5.4646755%	0.2704988%	2.0154316%
2016	1.2119729%	0.2825332%	9.4109506%	5.5464135%	0.2948270%	1.5682947%
2017	1.2650118%	0.3055995%	9.3454120%	5.7776911%	0.3450485%	1.5516803%
2018	1.2468246%	0.3392182%	9.1743034%	5.6319581%	0.3632005%	1.8520053%
2019	1.2688111%	0.3651152%	8.6883255%	5.6666294%	0.3422252%	2.1378063%
2020	1.1883152%	0.0812730%	8.2001174%	5.3935911%	0.3112478%	2.1823537%
2021	1.1303365%	N/A	7.4742883%	5.1426111%	0.2879919%	2.2378177%
Proportionate share of the net pension liability (asset)						
2014	\$ 5,080,893	\$ 93,456	\$ 3,280,729	\$ (539,772)	\$ (6,136)	\$ (30,595)
2015	6,944,683	290,902	4,427,539	929,860	(590)	(29,446)
2016	7,782,349	92,702	5,865,818	820,411	32,888	(13,614)
2017	5,542,395	24,868	4,515,735	(1,296,140)	30,422	(17,954)
2018	9,181,272	137,656	7,229,314	2,276,167	155,551	46,403
2019	4,781,982	23,928	4,314,621	(3,543,419)	76,969	201,091
2020	609,538	(14,566)	2,948,207	(7,267,052)	44,766	195,745
2021	(6,473,558)	N/A	(2,676,697)	(13,910,374)	(121,889)	(113,105)
Covered employee payroll						
2014	\$ 10,037,607	\$ 173,319	\$ 5,135,804	\$ 4,487,493	\$ 994,300	\$ 855,275
2015	10,412,970	176,350	5,659,403	5,024,250	1,747,810	1,199,072
2016	10,382,002	67,790	6,036,397	5,225,937	2,417,827	1,295,752
2017	10,495,839	62,011	5,844,309	5,178,980	3,375,494	1,637,646
2018	10,259,405	63,492	5,663,301	4,870,360	4,240,142	2,473,163
2019	10,619,793	65,426	5,519,353	4,815,909	4,757,046	3,523,470
2020	9,915,781	13,406	5,162,478	4,457,130	4,977,883	4,381,840
2021	9,448,211	N/A	4,565,433	4,209,454	5,344,903	5,351,471
Proportionate share of the net pension liability (asset) as a percentage of its covered-employees payroll						
2014	50.62%	53.92%	63.88%	-12.03%	-0.62%	-3.58%
2015	66.69%	164.96%	78.23%	18.51%	-0.03%	-2.46%
2016	74.96%	136.75%	97.17%	15.70%	1.36%	-1.05%
2017	52.81%	40.10%	77.27%	-25.03%	0.90%	-1.10%
2018	89.49%	216.81%	127.65%	46.74%	3.67%	1.88%
2019	45.03%	36.57%	78.17%	-73.58%	1.62%	5.71%
2020	6.15%	-108.65%	57.11%	-163.04%	0.90%	4.51%
2021	-68.52%	N/A	-58.63%	-330.46%	-2.28%	-2.11%
Plan fiduciary net position as a percentage of the total pension liability						
2014	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
2015	87.8%	85.7%	87.6%	98.1%	100.2%	110.7%
2016	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
2017	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%
2018	87.0%	91.2%	85.6%	96.1%	90.8%	95.6%
2019	93.7%	98.6%	91.7%	105.8%	96.5%	89.6%
2020	99.2%	103.9%	94.5%	112.0%	98.3%	93.1%
2021	108.7%	N/A	105.1%	122.9%	103.8%	102.8%

¹ In accordance with paragraph 81.a of GASB 68, employers will disclose a 10-year history of their proportionate share of the net pension liability (asset) in the RSI section of the Annual Comprehensive Finance Report. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.



**SCHEDULE OF CONTRIBUTIONS
 UTAH STATE RETIREMENT SYSTEM
 LAST 10 CALENDAR YEARS ¹**

Retirement System Description	As of fiscal year-ended June 30	Actuarial-determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 1,688,521	\$ 1,688,521	\$ -	\$ 9,915,750	17.03%
	2015	1,849,992	1,849,992	-	10,195,584	18.15%
	2016	1,895,144	1,895,144	-	10,456,544	18.12%
	2017	1,883,503	1,883,503	-	10,386,083	18.13%
	2018	1,873,328	1,873,328	-	10,320,881	18.15%
	2019	1,890,765	1,890,765	-	10,480,494	18.04%
	2020	1,901,791	1,901,791	-	10,539,272	18.04%
	2021	1,689,099	1,689,099	-	9,395,934	17.98%
	2022	1,742,762	1,742,762	-	9,698,298	17.97%
Contributory System	2014	\$ 22,708	\$ 22,708	\$ -	\$ 170,991	13.28%
	2015	25,231	25,231	-	174,485	14.46%
	2016	18,197	18,197	-	123,358	14.75%
	2017	8,864	8,864	-	61,298	14.46%
	2018	9,055	9,055	-	62,525	14.48%
	2019	9,321	9,321	-	64,459	14.46%
	2020	6,739	6,739	-	46,603	14.46%
	2021	-	-	-	-	0.00%
	2022	-	-	-	-	0.00%
Public Safety System	2014	\$ 1,613,136	\$ 1,613,136	\$ -	\$ 5,149,019	31.33%
	2015	1,685,006	1,685,006	-	5,322,889	31.66%
	2016	1,871,960	1,871,960	-	5,885,461	31.81%
	2017	1,907,382	1,907,382	-	5,992,379	31.83%
	2018	1,823,310	1,823,310	-	5,731,430	31.81%
	2019	1,745,659	1,745,659	-	5,559,041	31.40%
	2020	1,684,907	1,684,907	-	5,439,513	30.98%
	2021	1,487,962	1,487,962	-	4,843,150	30.72%
	2022	1,335,853	1,335,853	-	4,377,787	30.51%
Firefighters System	2014	\$ 177,099	\$ 177,099	\$ -	\$ 4,766,632	3.72%
	2015	299,046	299,046	-	4,707,165	6.35%
	2016	318,364	318,364	-	5,133,223	6.20%
	2017	320,243	320,243	-	5,165,166	6.20%
	2018	318,396	318,396	-	5,019,492	6.34%
	2019	336,248	336,248	-	4,850,595	6.93%
	2020	332,446	332,446	-	4,659,333	7.14%
	2021	311,481	311,481	-	4,303,193	7.24%
	2022	306,124	306,124	-	4,255,882	7.19%
Tier 2 Public Employees System ²	2014	\$ 115,448	\$ 115,448	\$ -	\$ 825,825	13.98%
	2015	210,262	210,262	-	1,398,883	15.03%
	2016	315,373	315,373	-	2,116,383	14.90%
	2017	442,470	442,470	-	2,976,227	14.87%
	2018	618,158	618,158	-	4,122,792	14.99%
	2019	709,417	709,417	-	4,567,733	15.53%
	2020	772,387	772,387	-	4,963,859	15.56%
	2021	787,143	787,143	-	5,016,246	15.69%
	2022	920,435	920,435	-	5,794,685	15.88%
Tier 2 Public Safety and Firefighter System ²	2014	\$ 112,573	\$ 112,573	\$ -	\$ 667,638	16.86%
	2015	180,387	180,387	-	1,082,932	16.66%
	2016	197,640	197,640	-	1,210,354	16.33%
	2017	231,630	231,630	-	1,424,489	16.26%
	2018	330,741	330,741	-	2,003,555	16.51%
	2019	514,525	514,525	-	3,062,384	16.80%
	2020	678,942	678,942	-	4,049,461	16.77%
	2021	906,900	906,900	-	4,642,242	19.54%
	2022	1,257,475	1,257,475	-	6,323,350	19.89%

SCHEDULE OF CONTRIBUTIONS (continued)
UTAH STATE RETIREMENT SYSTEM
LAST 10 CALENDAR YEARS ¹

Retirement System Description	As of fiscal year-ended June 30	Actuarial-determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Tier 2 Public Employees DC Only System ²	2014	\$ 9,127	\$ 9,127	\$ -	\$ 141,643	5.58%
	2015	14,185	14,185	-	168,086	8.44%
	2016	24,459	24,459	-	314,525	7.78%
	2017	33,012	33,012	-	479,860	6.88%
	2018	27,385	27,385	-	405,729	6.75%
	2019	50,725	50,725	-	761,510	6.66%
	2020	56,589	56,589	-	826,256	6.85%
	2021	68,590	68,590	-	1,016,573	6.75%
	2022	85,214	85,214	-	1,234,183	6.90%
Tier 2 Public Safety and Firefighter DC Only System ²	2014	\$ 11,877	\$ 11,877	\$ -	\$ 139,202	9.94%
	2015	16,194	16,194	-	201,646	8.03%
	2016	20,314	20,314	-	256,941	7.91%
	2017	22,731	22,731	-	284,258	8.00%
	2018	22,523	22,523	-	287,761	7.83%
	2019	24,387	24,387	-	323,896	7.53%
	2020	31,956	31,956	-	447,678	7.14%
	2021	30,067	30,067	-	432,338	6.95%
	2022	51,294	51,294	-	675,543	7.59%

¹ In accordance with paragraph 81.a of GASB 68, employers will disclose a 10-year history of their proportionate share of the net pension liability (asset) in the RSI section of the Annual Comprehensive Financial Report. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.

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

NOTE 1 – CHANGES IN ASSUMPTIONS

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2022



West Jordan Animal Services Rescue (Oct 2022)



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CAPITAL IMPROVEMENT PROJECTS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact fees	\$ 2,200,000	\$ 4,350,000	\$ 4,394,927	\$ 44,927
Intergovernmental	-	1,444,146	1,613,536	169,390
Miscellaneous	-	-	100,000	100,000
Investment income	-	-	158,282	158,282
Total revenues	2,200,000	5,794,146	6,266,745	472,599
<u>EXPENDITURES</u>				
Public safety	-	21,000	2,862	(18,138)
Highways and public improvements	9,499,199	24,094,700	2,760,148	(21,334,552)
Parks, recreation, and culture	4,115,000	4,514,646	3,317,207	(1,197,439)
Debt service				
Principal	355,000	355,000	355,000	-
Interest and fiscal charges	22,032	22,032	22,977	945
Total debt service	377,032	377,032	377,977	945
Total expenditures	13,991,231	29,007,378	6,458,194	(22,549,184)
Excess (deficiency) of revenues over (under) expenditures	(11,791,231)	(23,213,232)	(191,449)	23,021,783
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,233,568	17,339,910	17,339,910	-
Transfers out	-	(9,396,998)	-	9,396,998
Net other financing sources (uses)	1,233,568	7,942,912	17,339,910	9,396,998
Net change in fund balance	\$ (10,557,663)	\$ (15,270,320)	17,148,461	\$ 32,418,781
Fund balance at beginning of year			36,111,615	
Fund balance at end of year			\$ 53,260,076	

OTHER GOVERNMENTAL FUNDS

Municipal Building Authority (MBA) Fund

The MBA fund is used to account for the activities of the Municipal Building Authority. The Authority is an entity established to finance and construct municipal buildings that are then leased to the City.

Class C Road Fund

The Class C Road Fund is used to account for funds which have been allocated to City by the State of Utah for the maintenance and construction of Class C roads. The source of the funds is a tax imposed on the sale of gasoline as imposed by the State. The allocation is based on lane miles within the City.

Fairway Estates Fund

The Fairway Estates Fund is used to account for the activities of the Fairway Estates Special Service Recreation District (District). The District was established as a separate taxing entity with the purpose of maintaining the streetscapes within its boundaries.

Highlands Special Improvement District Fund

The Highlands Special Improvement District Fund (Highlands SID) is used to account for the activities of the Highlands SID. The revenue for this fund is generated by a fee charged to the properties within its area which in turn provides for landscaping and streetscaping maintenance within its boundaries.

KraftMaid Special Improvement District Fund

The KraftMaid Special Improvement District Fund (KraftMaid SID) is used to account for the activities of the KraftMaid SID. The revenue for this fund is generated by developer contributions in the form of impact fees to reimburse the City for infrastructure improvements secured by a bond.

Grants Fund

The Grants Fund is used to account for the activities of federal, state, and other intergovernmental and private grants.

Community Development Block Grant Fund

The Community Development Block Grant Fund (CDBG) is used to account for the activities of the federally funded community development block grant.



**COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS**

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund
<u>ASSETS</u>					
Cash and cash equivalents	\$ 1,716,403	\$ 4,198,710	\$ 53,392	\$ 22,200	\$ 731,541
Accounts receivable (net of allowance)	-	-	-	19,852	-
Due from other governments	-	1,039,433	10,243	-	-
Due from other funds	-	-	-	-	115,018
Restricted cash	298	-	-	-	-
Total assets	1,716,701	5,238,143	63,635	42,052	846,559
<u>LIABILITIES</u>					
Accounts payable	-	751,020	830	35,294	-
Accrued liabilities	-	-	-	3,989	-
Due to other funds	-	-	-	-	-
Total liabilities	-	751,020	830	39,283	-
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property taxes	-	-	10,136	-	-
Total deferred Inflows of resources	-	-	10,136	-	-
<u>FUND BALANCE</u>					
Restricted	298	-	-	-	-
Assigned	1,716,403	4,487,123	52,669	2,769	846,559
Total fund balances	1,716,701	4,487,123	52,669	2,769	846,559
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,716,701	\$ 5,238,143	\$ 63,635	\$ 42,052	\$ 846,559

(continued on next page)

COMBINING BALANCE SHEET (continued)
NON-MAJOR GOVERNMENTAL FUNDS

	Grants Fund	Community Development Block Grant Fund	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ -	\$ 6,722,246
Accounts receivable (net of allowance)	30,529	613,086	663,467
Due from other governments	-	238,354	1,288,030
Due from other funds	-	-	115,018
Restricted cash	-	145,101	145,399
Total assets	30,529	996,541	8,934,160
<u>LIABILITIES</u>			
Accounts payable	-	94,016	881,160
Accrued liabilities	-	314	4,303
Due to other funds	4,448	110,570	115,018
Total liabilities	4,448	204,900	1,000,481
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property taxes	-	-	10,136
Total deferred Inflows of resources	-	-	10,136
<u>FUND BALANCE</u>			
Restricted	-	758,187	758,485
Assigned	26,081	33,454	7,165,058
Total fund balances	26,081	791,641	7,923,543
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 30,529	\$ 996,541	\$ 8,934,160



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS**

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund
<u>REVENUES</u>					
Property tax	\$ -	\$ -	\$ 11,167	\$ -	\$ -
Intergovernmental	-	4,691,750	-	-	-
Charges for services	1,849,951	-	-	182,453	-
Miscellaneous	-	-	-	-	-
Investment income	7,773	17,093	262	-	4,130
Total revenues	1,857,724	4,708,843	11,429	182,453	4,130
<u>EXPENDITURES</u>					
General government	-	-	-	-	-
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and public improvements	-	3,601,154	12,500	-	-
Parks, recreation, and culture	-	-	-	242,155	-
Debt service:					
Principal	805,000	-	-	-	-
Interest and fiscal charges	1,044,950	-	-	46	-
Total expenditures	1,849,950	3,601,154	12,500	242,201	-
Excess (deficiency) of revenues over (under) expenditures	7,774	1,107,689	(1,071)	(59,748)	4,130
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	62,400	-
Total other financing sources (uses)	-	-	-	62,400	-
Net change of fund balance	7,774	1,107,689	(1,071)	2,652	4,130
Fund balance at beginning of year	1,708,927	3,379,434	53,740	117	842,429
Fund balance at end of year	\$ 1,716,701	\$ 4,487,123	\$ 52,669	\$ 2,769	\$ 846,559

(continued on next page)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
NON-MAJOR GOVERNMENTAL FUNDS

	Grant Fund	Community Development Block Grant Fund	Non-Major Governmental Funds
<u>REVENUES</u>			
Property tax	\$ -	\$ -	\$ 11,167
Intergovernmental	60,165	828,250	5,580,165
Charges for services	-	-	2,032,404
Miscellaneous	10,595	-	10,595
Investment income	-	-	29,258
Total revenues	70,760	828,250	7,663,589
<u>EXPENDITURES</u>			
General government	17,531	-	17,531
Community development	-	692,375	692,375
Public safety	42,633	-	42,633
Highways and public improvements	-	123,380	3,737,034
Parks, recreation, and culture	-	-	242,155
Debt service:			
Principal	-	-	805,000
Interest and fiscal charges	-	-	1,044,996
Total expenditures	60,164	815,755	6,581,724
Excess (deficiency) of revenues over (under) expenditures	10,596	12,495	1,081,865
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	-	-	62,400
Total other financing sources (uses)	-	-	62,400
Net change of fund balance	10,596	12,495	1,144,265
Fund balance at beginning of year	15,485	779,146	6,779,278
Fund balance at end of year	\$ 26,081	\$ 791,641	\$ 7,923,543



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 MUNICIPAL BUILDING AUTHORITY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 1,849,951	\$ 1,849,951	\$ 1,849,951	\$ -
Investment income	-	-	7,773	7,773
Total revenues	1,849,951	1,849,951	1,857,724	7,773
<u>EXPENDITURES</u>				
Debt service				
Principal	805,000	805,000	805,000	-
Interest and fiscal charges	1,044,951	1,044,951	1,044,950	(1)
Total expenditures	1,849,951	1,849,951	1,849,950	(1)
Excess (deficiency) of revenues over (under) expenditures	-	-	7,774	7,774
Net change in fund balance	\$ -	\$ -	7,774	\$ 7,774
Fund balance at beginning of year			1,708,927	
Fund balance at end of year			\$ 1,716,701	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 CLASS C ROADS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 5,100,000	\$ 4,000,000	\$ 4,691,750	\$ 691,750
Investment income	-	-	17,093	17,093
Total revenues	<u>5,100,000</u>	<u>4,000,000</u>	<u>4,708,843</u>	<u>708,843</u>
<u>EXPENDITURES</u>				
Highways and public improvements	4,604,000	4,604,000	3,601,154	(1,002,846)
Total expenditures	<u>4,604,000</u>	<u>4,604,000</u>	<u>3,601,154</u>	<u>(1,002,846)</u>
Excess (deficiency) of revenues over (under) expenditures	496,000	(604,000)	1,107,689	1,711,689
Net change in fund balance	<u>\$ 496,000</u>	<u>\$ (604,000)</u>	<u>1,107,689</u>	<u>\$ 1,711,689</u>
Fund balance at beginning of year			<u>3,379,434</u>	
Fund balance at end of year			<u>\$ 4,487,123</u>	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FAIRWAY ESTATES SPECIAL RECREATION DISTRICT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 10,844	\$ 10,844	\$ 11,167	\$ 323
Investment income	-	-	262	262
Total revenues	10,844	10,844	11,429	585
<u>EXPENDITURES</u>				
Highways and public improvements	12,500	12,500	12,500	-
Total expenditures	12,500	12,500	12,500	-
Excess (deficiency) of revenues over (under) expenditures	(1,656)	(1,656)	(1,071)	585
Net change in fund balance	\$ (1,656)	\$ (1,656)	(1,071)	\$ 585
Fund balance at beginning of year			53,740	
Fund balance at end of year			\$ 52,669	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 HIGHLANDS SPECIAL IMPROVEMENT DISTRICT**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 100,000	\$ 249,600	\$ 182,453	\$ (67,147)
Total revenues	100,000	249,600	182,453	(67,147)
<u>EXPENDITURES</u>				
Parks, recreation, and culture	141,050	312,000	242,155	(69,845)
Interest and fiscal charges		-	46	46
Total expenditures	141,050	312,000	242,201	(69,799)
Excess (deficiency) of revenues over (under) expenditures	(41,050)	(62,400)	(59,748)	2,652
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	41,050	62,400	62,400	-
Net other financing sources (uses)	41,050	62,400	62,400	-
Net change in fund balance	\$ -	\$ -	2,652	\$ 2,652
Fund balance at beginning of year			117	
Fund balance at end of year			<u>\$ 2,769</u>	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 KRAFTMAID SPECIAL IMPROVEMENT DISTRICT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 4,130	\$ 4,130
Total revenues	-	-	4,130	4,130
Excess (deficiency) of revenues over (under) expenditures	-	-	4,130	4,130
Net change in fund balance	\$ -	\$ -	4,130	\$ 4,130
Fund balance at beginning of year			842,429	
Fund balance at end of year			\$ 846,559	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 GRANTS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 6,694,189	\$ 81,309	\$ 60,165	\$ (21,144)
Miscellaneous	-	-	10,595	10,595
Total revenues	6,694,189	81,309	70,760	(10,549)
EXPENDITURES				
General government	-	52,109	17,531	(34,578)
Public safety	323,002	29,200	42,633	13,433
Total expenditures	323,002	81,309	60,164	(21,145)
Excess (deficiency) of revenues over (under) expenditures	6,371,187	-	10,596	10,596
Net change in fund balance	\$ 6,371,187	\$ -	10,596	\$ 10,596
Fund balance at beginning of year			15,485	
Fund balance at end of year			\$ 26,081	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 1,001,272	\$ 1,001,272	\$ 828,250	\$ (173,022)
Total revenues	1,001,272	1,001,272	828,250	(173,022)
<u>EXPENDITURES</u>				
Community development	733,190	726,888	692,375	(34,513)
Highways and public improvements	268,082	274,384	123,380	(151,004)
Total expenditures	1,001,272	1,001,272	815,755	(185,517)
Excess (deficiency) of revenues over (under) expenditures	-	-	12,495	12,495
Net change in fund balance	\$ -	\$ -	12,495	\$ 12,495
Fund balance at beginning of year			779,146	
Fund balance at end of year			\$ 791,641	

INTERNAL SERVICE FUNDS

Fleet Management Fund

The Fleet Management Fund is used to account for the activities of the acquisition, replacement, and maintenance of the City's vehicles and equipment. Charges for service are assigned to the other funds based on the number of vehicles and/or equipment assigned to the department, and the purchasing cost is charged to the department or fund using the vehicle or equipment over its useful life.

IT Replacement Fund

The IT Management Fund is used to account for the activities of the City's information technologies system and services.

Risk Management Fund

The Retained Risk Fund is used to account for the activities of the City's self-insurance and risk management programs.

**STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,888,125	\$ 2,393,040	\$ 2,181,490	\$ 7,462,655
Prepaid items	-	26,331	-	26,331
Total current assets	2,888,125	2,419,371	2,181,490	7,488,986
Noncurrent assets				
Net pension asset	324,392	180,215	61,535	566,142
Capital assets				
Construction in progress	330,280	-	-	330,280
Equipment	25,289,405	1,544,667	-	26,834,072
Intangibles	1,349,736	-	-	1,349,736
Accumulated depreciation and amortization	(16,061,850)	(1,544,667)	-	(17,606,517)
Total noncurrent assets	11,231,963	180,215	61,535	11,473,713
Total assets	14,120,088	2,599,586	2,243,025	18,962,699
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension costs	114,262	63,478	21,675	199,415
Total deferred outflows of resources	114,262	63,478	21,675	199,415
LIABILITIES				
Current liabilities				
Accounts payable	459,802	255,349	4,698	719,849
Accrued liabilities	32,682	36,856	462,497	532,035
Bonds and leases payable	1,055,492	-	-	1,055,492
Compensated absences	30,187	48,808	7,959	86,954
Liabilities from restricted assets:				
Interest payable	27,551	-	-	27,551
Total current liabilities	1,605,714	341,013	475,154	2,421,881
Noncurrent liabilities				
Bonds and leases payable	1,281,725	-	-	1,281,725
Compensated absences	39,573	49,448	277	89,298
Total noncurrent liabilities	1,321,298	49,448	277	1,371,023
Total liabilities	2,927,012	390,461	475,431	3,792,904
DEFERRED INFLOWS OF RESOURCES				
Deferred pension gains	333,823	185,455	63,324	582,602
Total deferred Inflows of resources	333,823	185,455	63,324	582,602
NET POSITION				
Net investment in capital assets	8,443,917	-	-	8,443,917
Unrestricted	2,529,598	2,087,148	1,725,945	6,342,691
Total net position	\$ 10,973,515	\$ 2,087,148	\$ 1,725,945	\$ 14,786,608

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
<u>OPERATING REVENUES</u>				
Charges for services	\$ 5,948,112	\$ 3,100,000	\$ 2,022,180	\$ 11,070,292
Other	312	-	-	312
Total operating revenues	<u>5,948,424</u>	<u>3,100,000</u>	<u>2,022,180</u>	<u>11,070,604</u>
<u>OPERATING EXPENSES</u>				
Wages and benefits	662,282	946,729	149,056	1,758,067
Operations and maintenance	2,142,443	1,707,216	1,187,000	5,036,659
Depreciation and amortization	3,300,573	12,128	-	3,312,701
Total operating expenses	<u>6,105,298</u>	<u>2,666,073</u>	<u>1,336,056</u>	<u>10,107,427</u>
Operating income (loss)	<u>(156,874)</u>	<u>433,927</u>	<u>686,124</u>	<u>963,177</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	15,766	10,722	7,728	34,216
Interest and fiscal charges	(136,906)	-	-	(136,906)
Gain/(loss) on disposal of assets	259,035	-	-	259,035
Total nonoperating revenues (expenses)	<u>137,895</u>	<u>10,722</u>	<u>7,728</u>	<u>156,345</u>
Income (loss) before contributions and transfers	<u>(18,979)</u>	<u>444,649</u>	<u>693,852</u>	<u>1,119,522</u>
Change in net position	<u>(18,979)</u>	<u>444,649</u>	<u>693,852</u>	<u>1,119,522</u>
Total net position, beginning	10,788,621	1,642,499	1,032,093	13,463,213
Prior period adjustment	203,873	-	-	203,873
Total net position, ending	<u>\$ 10,973,515</u>	<u>\$ 2,087,148</u>	<u>\$ 1,725,945</u>	<u>\$ 14,786,608</u>

**STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS**

	Fleet Replacement Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 6,063,288	\$ 3,100,000	\$ 2,022,180	\$ 11,185,468
Payments to suppliers of goods and services	(1,812,069)	(1,505,029)	(1,145,341)	(4,462,439)
Payments to employees for services	(771,436)	(1,042,293)	(162,765)	(1,976,494)
Net cash provided (used) by operating activities	<u>3,479,783</u>	<u>552,678</u>	<u>714,074</u>	<u>4,746,535</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	259,035	-	-	259,035
Purchases of capital assets	(4,218,135)	1	-	(4,218,134)
Changes to leased assets	203,873	-	-	203,873
Principal paid on debt	(158,101)	-	-	(158,101)
Interest and fiscal charges paid on capital debt	(141,679)	-	-	(141,679)
Net cash provided (used) by capital and related financing activities	<u>(4,055,007)</u>	<u>1</u>	<u>-</u>	<u>(4,055,006)</u>
Cash flows from investing activities				
Investment income	15,766	10,722	7,728	34,216
Net cash provided by investing activities	<u>15,766</u>	<u>10,722</u>	<u>7,728</u>	<u>34,216</u>
Net increase (decrease) in cash and cash equivalents	(559,458)	563,401	721,802	725,745
Cash and cash equivalents - beginning of year	3,447,583	1,829,639	1,459,688	6,736,910
Cash and cash equivalents - end of year	<u>\$ 2,888,125</u>	<u>\$ 2,393,040</u>	<u>\$ 2,181,490</u>	<u>\$ 7,462,655</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (156,874)	\$ 433,927	\$ 686,124	\$ 963,177
Adjustments to reconcile operating income to net cash provided by:				
Depreciation and amortization	3,300,573	12,127	-	3,312,700
(Increase) decrease in receivables	114,864	-	-	114,864
(Increase) decrease in prepaids	-	13,738	-	13,738
(Increase) decrease in payables	323,441	185,757	4,162	513,360
(Increase) decrease in liabilities	(102,221)	(92,871)	23,788	(171,304)
Net cash provided by operating activities	<u>\$ 3,479,783</u>	<u>\$ 552,678</u>	<u>\$ 714,074</u>	<u>\$ 4,746,535</u>

NON-MAJOR PROPRIETARY FUNDS

Solid Waste Fund

The Solid Waste Fund is used to account for the activities of the City's garbage, recycling, and green waste collection services.

Streetlight Fund

The Streetlight Fund is used to account for the activities of the City's streetlight system. Revenue is generated by a streetlight fee billed as a monthly utility.

**STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 558,751	\$ 971,036	\$ 1,529,787
Accounts receivable (net of allowance)	632,720	77,397	710,117
Total current assets	<u>1,191,471</u>	<u>1,048,433</u>	<u>2,239,904</u>
Noncurrent assets			
Net pension asset	71,323	-	71,323
Investment in joint ventures	7,618,613	-	7,618,613
Total noncurrent assets	<u>7,689,936</u>	<u>-</u>	<u>7,689,936</u>
Total assets	<u>8,881,407</u>	<u>1,048,433</u>	<u>9,929,840</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred pension costs	25,122	-	25,122
Total deferred outflows of resources	<u>25,122</u>	<u>-</u>	<u>25,122</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	422,305	27,520	449,825
Accrued liabilities	7,827	-	7,827
Compensated absences	8,883	-	8,883
Total current liabilities	<u>439,015</u>	<u>27,520</u>	<u>466,535</u>
Noncurrent liabilities			
Compensated absences	10,595	-	10,595
Total noncurrent liabilities	<u>10,595</u>	<u>-</u>	<u>10,595</u>
Total liabilities	<u>449,610</u>	<u>27,520</u>	<u>477,130</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred pension gains	73,397	-	73,397
Total deferred Inflows of resources	<u>73,397</u>	<u>-</u>	<u>73,397</u>
<u>NET POSITION</u>			
Unrestricted	8,383,522	1,020,913	9,404,435
Total net position	<u>\$ 8,383,522</u>	<u>\$ 1,020,913</u>	<u>\$ 9,404,435</u>

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
<u>OPERATING REVENUES</u>			
Charges for services	\$ 6,259,168	\$ 826,878	\$ 7,086,046
Other	760	791	1,551
Total operating revenues	<u>6,259,928</u>	<u>827,669</u>	<u>7,087,597</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	214,459	-	214,459
Administrative fees	441,723	-	441,723
Operations and maintenance	5,141,259	837,703	5,978,962
Total operating expenses	<u>5,797,441</u>	<u>837,703</u>	<u>6,635,144</u>
Operating income (loss)	<u>462,487</u>	<u>(10,034)</u>	<u>452,453</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	3,253	5,106	8,359
Equity in income of joint venture	775,413	-	775,413
Total nonoperating revenues (expenses)	<u>778,666</u>	<u>5,106</u>	<u>783,772</u>
Income (loss) before contributions and transfers	1,241,153	(4,928)	1,236,225
Transfers out	<u>(298,700)</u>	<u>(37,500)</u>	<u>(336,200)</u>
Change in net position	942,453	(42,428)	900,025
Total net position, beginning	<u>7,441,069</u>	<u>1,063,341</u>	<u>8,504,410</u>
Total net position, ending	<u>\$ 8,383,522</u>	<u>\$ 1,020,913</u>	<u>\$ 9,404,435</u>

**STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 6,300,346	\$ 786,081	\$ 7,086,427
Payments to suppliers of goods and services	(5,109,498)	(847,498)	(5,956,996)
Payments to employees for services	(234,882)	-	(234,882)
Payment for interfund services	(441,723)	-	(441,723)
Net cash provided (used) by operating activities	<u>514,243</u>	<u>(61,417)</u>	<u>452,826</u>
Cash flows from noncapital financing activities			
Transfers to other funds	<u>(298,700)</u>	<u>(37,500)</u>	<u>(336,200)</u>
Net cash provided (used) by noncapital financing activities	<u>(298,700)</u>	<u>(37,500)</u>	<u>(336,200)</u>
Cash flows from investing activities			
Investment income	<u>3,253</u>	<u>5,106</u>	<u>8,359</u>
Net cash provided by investing activities	<u>3,253</u>	<u>5,106</u>	<u>8,359</u>
Net increase (decrease) in cash and cash equivalents	218,796	(93,811)	124,985
Cash and cash equivalents - beginning of year	<u>339,955</u>	<u>1,064,847</u>	<u>1,404,802</u>
Cash and cash equivalents - end of year	<u>\$ 558,751</u>	<u>\$ 971,036</u>	<u>\$ 1,529,787</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 462,487	\$ (10,034)	\$ 452,453
Adjustments to reconcile operating income to net cash provided by:			
(Increase) decrease in receivables	40,418	(41,588)	(1,170)
(Increase) decrease in payables	28,780	(9,795)	18,985
(Increase) decrease in liabilities	(17,442)	-	(17,442)
Net cash provided by operating activities	<u>\$ 514,243</u>	<u>\$ (61,417)</u>	<u>\$ 452,826</u>

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2022



*Memorial Day Service (May 2022)
In honor of all those who served*

This section presents detailed information as a context for better understanding the government's overall financial health in conjunction with the financial statements, notes, and required supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources – sales tax and property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



SCHEDULE 1 - NET POSITION BY COMPONENT

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 252,859	\$ 260,066	\$ 259,058	\$ 269,724	\$ 267,165	\$ 289,376	\$ 294,646	\$ 311,651	\$ 328,913	\$ 329,856
Restricted	15,710	19,888	20,911	18,571	43,553	30,655	21,247	22,526	26,193	27,439
Unrestricted	25,928	28,212	22,568	15,757	14,999	10,699	25,973	26,612	46,710	81,443
Total governmental net position	294,497	308,166	302,537	304,052	325,717	330,730	341,866	360,789	401,816	438,738
Business-type activities										
Net investment in capital assets	146,813	150,965	159,663	168,604	174,147	193,305	204,278	217,291	227,173	234,186
Restricted	3,975	3,860	1,073	5,490	3,779	9,919	7,441	7,853	5,335	5,236
Unrestricted	27,605	29,816	31,167	23,932	26,113	10,621	14,519	21,205	30,937	46,653
Total business-type net position	178,393	184,641	191,903	198,026	204,039	213,845	226,238	246,349	263,445	286,075
Primary government										
Net investment in capital assets	399,672	411,031	418,721	438,328	441,312	482,681	498,924	528,942	556,086	564,042
Restricted	19,685	23,748	21,984	24,061	47,332	40,574	28,688	30,379	31,528	32,675
Unrestricted	53,533	58,028	53,735	39,689	41,112	21,320	40,492	47,817	77,647	128,096
Total primary government net position	\$ 472,890	\$ 492,807	\$ 494,440	\$ 502,078	\$ 529,756	\$ 544,575	\$ 568,104	\$ 607,138	\$ 665,261	\$ 724,813

SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in millions)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 8.18	\$ 10.69	\$ 7.93	\$ 8.59	\$ 8.22	\$ 8.44	\$ 9.87	\$ 10.33	\$ 8.78	\$ 7.80
Community development	2.50	3.83	2.96	2.89	3.57	4.16	4.38	12.55	4.63	5.05
Public safety	22.95	24.52	24.02	28.61	30.17	30.16	33.47	33.84	31.21	31.28
Highways and public improvements	12.87	14.18	14.00	16.19	13.78	22.29	17.79	10.85	17.44	17.52
Parks, recreation, and culture	3.57	4.14	4.06	4.24	5.56	5.54	6.35	5.69	4.86	6.53
Debt service - interest and fiscal charges	0.86	0.80	0.63	0.66	1.35	1.57	1.01	1.27	1.13	1.00
Total governmental expenses	50.93	58.16	53.60	61.18	62.65	72.16	72.87	74.53	68.05	69.18
Business-type activities										
Water	13.70	15.13	16.11	17.44	19.96	19.45	21.24	22.15	23.07	19.96
Sewer	6.60	7.61	8.00	8.02	8.05	9.10	9.69	11.32	10.07	11.56
Solid waste	4.19	3.64	4.07	4.14	4.44	4.29	4.52	4.87	4.95	5.00
Storm water	1.74	1.98	2.01	2.74	2.73	3.30	4.03	3.95	4.91	4.44
Streetlight	-	-	-	-	0.59	0.32	0.29	0.43	1.06	0.84
Total business-type activities expenses	26.23	28.36	30.19	32.34	35.77	36.46	39.77	42.72	44.06	41.80
Total primary government expenses	\$ 77.16	\$ 86.52	\$ 83.79	\$ 93.52	\$ 98.42	\$ 108.62	\$ 112.64	\$ 117.25	\$ 112.11	\$ 110.98
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 2.31	\$ 5.61	\$ 2.12	\$ 2.45	\$ 2.17	\$ 2.01	\$ 3.01	\$ 3.02	\$ 3.18	\$ 3.16
Community development	2.28	2.33	2.34	2.73	3.50	3.45	3.60	5.33	4.98	5.09
Public safety	2.45	2.27	2.47	2.95	2.77	3.30	2.53	2.44	2.61	3.17
Highways and public improvements	1.49	1.26	1.26	1.08	0.85	0.57	1.45	2.92	2.10	2.43
Parks, recreation, and culture	0.24	0.26	0.26	0.24	0.26	0.32	2.02	2.52	2.23	2.26
Operating grants and contributions	3.78	3.70	3.99	4.23	4.47	4.56	6.16	9.20	11.71	17.19
Capital grants & contributions	2.34	13.96	3.11	5.18	24.00	12.32	13.75	11.83	16.92	4.25
Total governmental program revenues	14.89	29.39	15.55	18.86	38.02	26.53	32.52	37.26	43.73	37.55
Business-type activities										
Charges for services										
Water	15.12	16.48	15.78	16.08	17.26	18.85	23.55	30.01	32.11	28.67
Sewer	7.64	8.35	8.49	8.12	8.81	9.34	10.85	12.83	13.97	14.82
Solid waste	4.24	4.03	4.14	4.03	4.23	4.50	4.93	5.41	5.84	6.26
Storm water	1.54	1.87	1.78	2.17	2.97	3.14	4.98	7.52	6.36	6.03
Streetlight	-	-	-	-	0.73	0.71	0.72	0.75	0.77	0.83
Operating grants and contributions	-	-	3.19	2.35	0.18	0.06	-	-	-	-
Capital grants & contributions	4.63	3.84	2.62	4.03	7.12	9.24	6.56	5.87	4.43	10.21
Total business-type program revenues	33.17	34.57	36.00	36.78	41.30	45.84	51.59	62.39	63.48	66.82
Total primary government program revenues	\$ 48.06	\$ 63.96	\$ 51.55	\$ 55.64	\$ 79.32	\$ 72.37	\$ 84.11	\$ 99.65	\$ 107.21	\$ 104.37
Net (expense)/revenue										
Governmental activities	\$ (36.04)	\$ (28.77)	\$ (38.05)	\$ (42.32)	\$ (24.63)	\$ (45.63)	\$ (40.35)	\$ (37.27)	\$ (24.32)	\$ (31.63)
Business-type activities	6.94	6.21	5.81	4.44	5.53	9.38	11.82	19.67	19.42	25.02
Total primary government net expense	\$ (29.10)	\$ (22.56)	\$ (32.24)	\$ (37.88)	\$ (19.10)	\$ (36.25)	\$ (28.53)	\$ (17.60)	\$ (4.90)	\$ (6.61)
General revenues & other changes in net position										
Governmental activities										
Taxes										
Sales taxes	\$ 15.16	\$ 15.98	\$ 16.85	\$ 17.37	\$ 18.58	\$ 19.92	\$ 20.93	\$ 24.67	\$ 29.01	\$ 32.79
Property taxes	14.09	13.67	13.39	13.75	13.95	14.06	16.73	17.46	18.09	19.34
Tax increment	2.79	3.40	3.83	3.98	3.77	3.71	4.02	4.26	4.34	4.16
Franchise taxes	7.96	8.11	7.87	7.81	7.93	7.65	7.46	7.38	7.55	8.18
Investment income	0.20	0.21	0.20	0.30	0.52	0.82	1.45	1.01	0.34	0.42
Gain/(loss) on sale & disposal of assets	0.10	0.03	0.72	0.28	0.42	4.07	0.18	0.03	0.09	0.01
Miscellaneous	0.25	0.95	0.55	0.82	0.49	0.36	0.72	1.37	0.29	0.89
Transfers - net	0.93	0.08	(1.95)	0.05	(0.01)	0.05	-	-	2.47	2.57
Total governmental activities	41.48	42.43	41.46	44.36	45.65	50.64	51.49	56.18	62.18	68.36
Business-type activities										
Investment income	0.19	0.12	0.11	0.18	0.28	0.48	0.57	0.42	0.14	0.20
Gain/(loss) on sale & disposal of assets	0.14	-	-	-	-	-	-	0.01	-	-
Transfers - net	(0.93)	(0.08)	1.95	(0.05)	0.01	(0.05)	-	-	(2.47)	(2.57)
Total business-type activities	(0.60)	0.04	2.06	0.13	0.29	0.43	0.57	0.43	(2.33)	(2.37)
Total primary government	\$ 40.88	\$ 42.47	\$ 43.52	\$ 44.49	\$ 45.94	\$ 51.07	\$ 52.06	\$ 56.61	\$ 59.85	\$ 65.99
Change in net position										
Governmental activities	\$ 5.44	\$ 13.66	\$ 3.41	\$ 2.04	\$ 21.02	\$ 5.01	\$ 11.14	\$ 18.91	\$ 37.86	\$ 36.73
Business-type activities	6.34	6.25	7.87	4.57	5.82	9.81	12.39	20.10	17.09	22.65
Total primary government	\$ 11.78	\$ 19.91	\$ 11.28	\$ 6.61	\$ 26.84	\$ 14.82	\$ 23.53	\$ 39.01	\$ 54.95	\$ 59.38

From FY2014 to FY2017 the state auditor required E911 fees passed to VECC to be recorded as an expense and revenue for Public Safety.

SCHEDULE 3 - FUND BALANCE, GOVERNMENTAL FUNDS

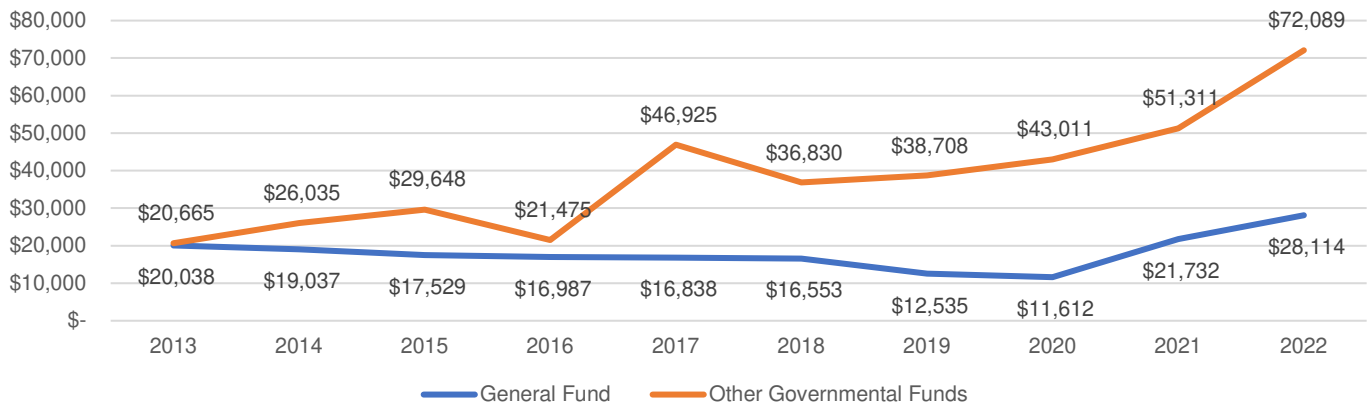
Last Ten Fiscal Years

Accrual basis of accounting

(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 90	\$ 161	\$ 164	\$ 167	\$ 57	\$ 109	\$ 482	\$ -	\$ 800	\$ 158
Restricted	6,308	5,794	5,233	6,502	6,042	4,951	-	6	-	254
Assigned	598	568	770	893	47	148	-	-	-	-
Unassigned	13,042	12,514	11,362	9,425	10,692	11,345	12,053	11,606	20,928	27,702
Total General Fund	\$ 20,038	\$ 19,037	\$ 17,529	\$ 16,987	\$ 16,838	\$ 16,553	\$ 12,535	\$ 11,612	\$ 21,728	\$ 28,114
All other governmental funds										
Nonspendable	-	-	-	-	689	653	644	-	1,078	7,703
Restricted	9,402	14,094	15,678	12,069	37,747	23,797	20,812	21,893	26,112	26,715
Committed	500	500	-	-	-	-	-	-	-	-
Assigned	10,897	11,501	13,970	9,406	10,069	18,386	22,115	21,118	24,211	37,681
Unassigned	(134)	(60)	-	-	(1,580)	(6,006)	(4,863)	-	(90)	-
Total all other governmental funds	\$ 20,665	\$ 26,035	\$ 29,648	\$ 21,475	\$ 46,925	\$ 36,830	\$ 38,708	\$ 43,011	\$ 51,311	\$ 72,099
Total governmental fund balances	\$ 40,703	\$ 45,072	\$ 47,177	\$ 38,462	\$ 63,763	\$ 53,383	\$ 51,243	\$ 54,623	\$ 73,039	\$ 100,213

Fund Balances of Governmental Funds
 (amounts expressed in thousands)



SCHEDULE 4 – CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes & special assessments	\$ 40,014	\$ 41,156	\$ 41,931	\$ 43,077	\$ 44,279	\$ 45,354	\$ 49,145	\$ 53,770	\$ 58,988	\$ 64,457
Licenses & permits	1,743	2,135	2,393	2,762	2,797	2,888	2,725	4,159	4,032	4,390
Intergovernmental	5,043	4,920	4,904	5,590	6,089	5,818	9,445	11,275	14,139	18,038
Administrative fees	3,901	3,913	-	-	-	-	-	-	-	-
Charges for services	4,316	4,402	4,624	4,882	3,111	3,664	5,594	5,520	5,532	6,271
Fines & forfeitures	1,489	1,478	1,482	1,366	1,283	1,163	1,143	1,157	1,123	1,000
Impact fees	1,317	1,868	2,641	2,686	3,479	4,916	3,207	5,556	4,147	4,395
Miscellaneous	774	538	99	238	821	827	716	1,371	293	886
Investment Income	228	232	204	307	612	949	1,454	1,012	335	423
Total revenues	58,825	60,642	58,278	60,908	62,471	65,579	73,429	83,820	88,589	99,860
Expenditures										
General government	9,295	10,210	8,489	9,086	7,789	8,208	9,200	10,778	9,459	9,084
Community development	2,653	3,925	3,095	2,714	3,523	4,120	4,333	5,211	4,790	5,530
Public safety	23,345	24,143	26,155	28,397	28,671	29,753	31,652	32,771	32,367	34,983
Highways & public improvements	5,292	5,356	4,897	5,739	4,943	5,409	11,306	10,814	10,628	11,019
Parks, recreation, and culture	2,374	2,910	3,088	2,744	3,682	3,710	4,285	4,492	3,830	5,024
Capital outlay	5,883	16,094	12,237	16,646	12,620	40,473	10,246	13,829	4,600	5,827
Debt service										
Principal	2,451	10,851	2,657	3,218	2,738	2,424	3,230	5,600	5,605	2,611
Interest	813	792	550	584	1,080	1,579	1,494	1,471	1,359	1,195
Total expenditures	52,106	74,281	61,168	69,128	65,046	95,676	75,746	84,966	72,638	75,273
Excess of revenues over (under) expenditures	6,719	(13,639)	(2,890)	(8,220)	(2,575)	(30,097)	(2,317)	(1,146)	15,951	24,587
Other financing sources (uses)										
Issuance of debt	-	10,595	6,530	-	27,275	-	-	4,500	-	-
State funding	-	9,900	-	-	-	-	-	-	-	-
Capital lease financing	-	-	135	-	-	-	-	-	-	-
Developer contributions	-	683	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	165	5	-	19,718	177	26	-	8
Transfers in	6,206	11,684	11,587	3,032	4,784	11,549	8,402	7,797	7,290	19,977
Transfers out	(5,429)	(14,854)	(13,587)	(3,032)	(4,839)	(11,549)	(8,402)	(7,797)	(4,823)	(17,402)
Total other financing sources (uses)	777	18,008	4,830	5	27,220	19,718	177	4,526	2,467	2,583
Net change in fund balances	\$ 7,496	\$ 4,369	\$ 1,940	\$ (8,215)	\$ 24,645	\$ (10,379)	\$ (2,140)	\$ 3,380	\$ 18,418	\$ 27,170
Debt service as a % of noncapital expenditures	7.06%	20.01%	6.55%	7.24%	7.28%	7.25%	7.21%	9.94%	10.24%	5.48%

In FY2014 the Utah State Auditor started requiring that the governmental activities be reported without administrative fees.

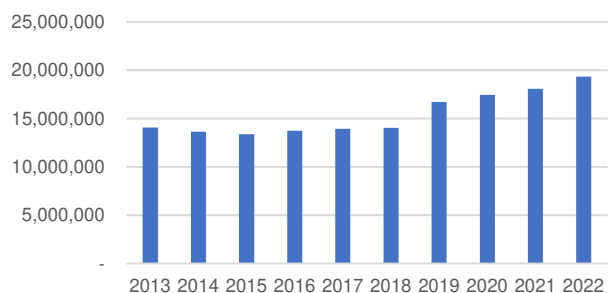
SCHEDULE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years

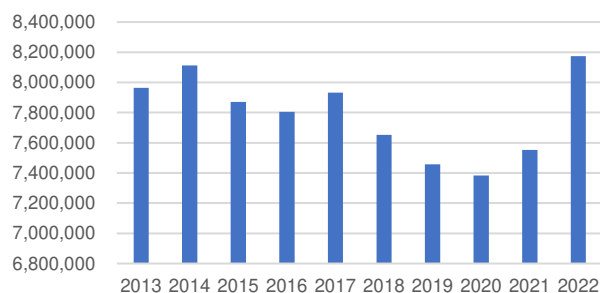
Accrual basis of accounting

Fiscal Year	Property Tax	Fees-in-lieu of property tax	Tax Increment	Sales Tax	Franchise Tax	Total
2013	\$ 12,949,847	\$ 1,143,559	\$ 2,794,439	\$ 15,161,672	\$ 7,964,188	\$ 40,013,705
2014	12,668,980	999,394	3,398,395	15,976,144	8,112,830	41,155,743
2015	12,378,578	1,010,266	3,824,806	16,845,871	7,871,219	41,930,740
2016	12,735,526	1,012,652	4,136,309	17,371,482	7,805,966	43,061,935
2017	12,912,284	1,033,792	3,780,491	18,583,140	7,931,649	44,241,356
2018	13,008,717	1,048,335	3,722,099	19,922,143	7,651,704	45,352,998
2019	15,523,672	1,209,212	4,021,956	20,933,636	7,456,661	49,145,137
2020	16,324,555	1,133,977	4,262,252	24,666,933	7,382,471	53,770,188
2021	16,975,566	1,116,120	4,335,581	29,007,979	7,553,010	58,988,256
2022	18,199,928	1,139,517	4,154,654	32,787,737	8,175,138	64,456,974

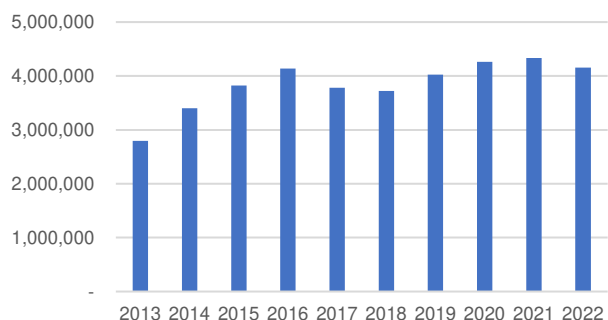
Property Tax & Fee-in-lieu



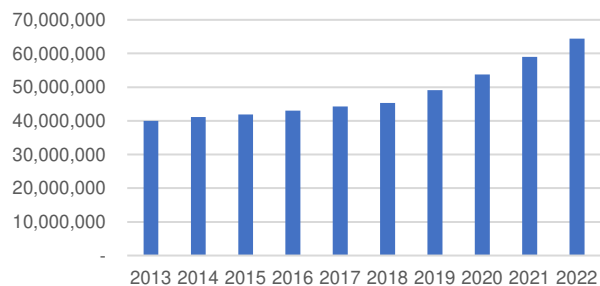
Franchise Tax



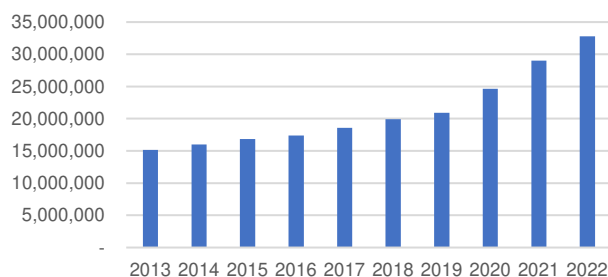
Tax Increment



Total Tax Revenues Governmental Activities



Sales Tax*



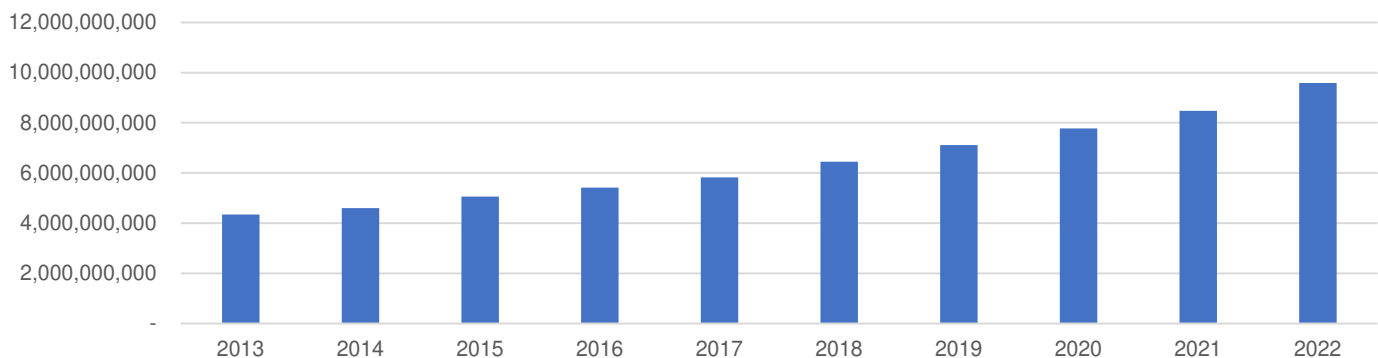
**SCHEDULE 6 - ASSESSED VALUE AND ESTIMATED ACCRUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

Fiscal Year	Primary Residential Property	Other Property	Less: Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2013	\$ 3,015,103,177	1,938,017,434	(607,104,064)	4,346,016,547	0.002674	7,420,023,210	58.57%
2014	2,844,974,289	1,965,996,252	(208,866,727)	4,602,103,814	0.002562	7,138,676,777	64.47%
2015	3,048,600,250	2,075,413,401	(62,854,709)	5,061,158,942	0.002368	7,618,322,946	66.43%
2016	3,361,903,767	2,191,420,614	(130,127,755)	5,423,196,626	0.002251	8,303,972,918	65.31%
2017	3,595,378,140	2,345,525,635	(109,931,962)	5,830,971,813	0.002139	8,882,576,799	65.65%
2018	3,857,227,834	2,451,495,056	142,873,074	6,451,595,964	0.001975	9,464,636,572	68.17%
2019	4,333,004,243	2,603,320,833	182,577,025	7,118,902,101	0.002132	10,481,510,366	67.92%
2020	4,815,118,214	2,825,449,487	141,921,180	7,782,488,881	0.001999	11,580,209,876	67.21%
2021	5,367,101,206	3,015,850,501	92,394,248	8,475,345,955	0.001899	12,774,216,330	66.35%
2022	5,744,709,074	3,392,301,574	451,918,416	9,588,929,064	0.001788	13,837,227,163	69.30%

Note: All property in Salt Lake County is assessed annually. All real property is assessed at its fair market value with a 45% reduction in fair market value allowed for primary residential property. Tax rates are per \$1,000 of assessed value. Business personal property is self-assessed annually and is not included above.

Source: Utah State Tax Commission – Property Tax Division (www.taxrates.utah.gov)

Total Taxable Assessed Value



SCHEDULE 7 – PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 11,631,147	\$ 12,321,900	105.94%	\$ 271,985	\$ 12,593,885	108.28%
2014	11,800,713	12,671,927	107.38%	261,390	12,933,317	109.60%
2015	11,993,512	12,919,871	107.72%	228,371	13,148,242	109.63%
2016	12,215,009	12,459,849	102.00%	199,222	12,659,071	103.64%
2017	12,480,066	12,635,099	101.24%	186,448	12,821,547	102.74%
2018	12,749,435	12,802,407	100.42%	154,039	12,956,446	101.62%
2019	15,185,183	15,311,700	100.83%	80,133	15,391,833	101.36%
2020	15,564,849	16,111,950	103.51%	148,535	16,260,485	104.47%
2021	16,102,690	16,692,565	103.66%	190,073	16,882,638	104.84%
2022	17,158,829	17,041,654	99.32%	114,043	17,155,697	99.98%

Note: Property tax collections may be higher than the amount levied and budgeted due to new growth and the collection of personal property tax.

Source: Salt Lake County Treasurer

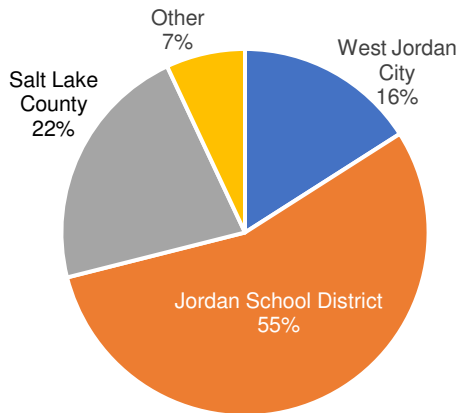
**SCHEDULE 8 – DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years**

Fiscal Year	Direct City Rates			Overlapping Rates			
	Operations	Debt Service	Total City Direct Rate	Jordan School District	Salt Lake County	Other	Total
2013	0.002481	0.000193	0.002674	0.007360	0.003420	0.000919	0.014373
2014	0.002384	0.000178	0.002562	0.007132	0.003935	0.000891	0.014520
2015	0.002218	0.000150	0.002368	0.006700	0.003751	0.000841	0.013660
2016	0.002111	0.000140	0.002251	0.006872	0.003214	0.000824	0.013161
2017	0.002009	0.000130	0.002139	0.006906	0.003010	0.000790	0.012845
2018	0.001857	0.000118	0.001975	0.006424	0.002850	0.000817	0.012066
2019	0.002025	0.000107	0.002132	0.006501	0.002584	0.000815	0.012032
2020	0.001901	0.000098	0.001999	0.006676	0.002694	0.000797	0.012166
2021	0.001809	0.000090	0.001899	0.006567	0.002685	0.000779	0.011930
2022	0.001709	0.000079	0.001788	0.006168	0.002459	0.000781	0.011196

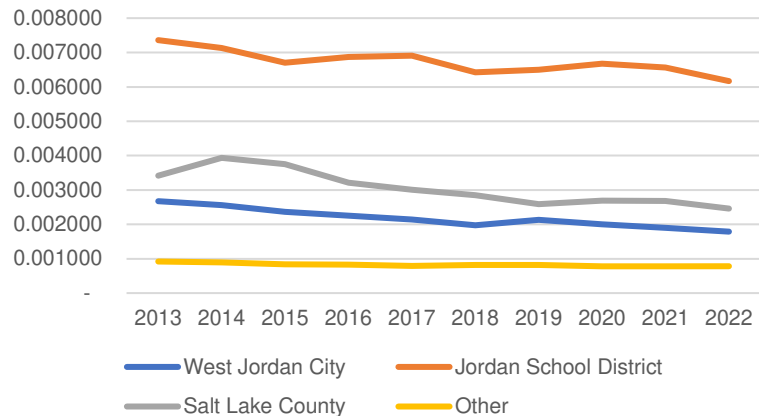
Notes: Overlapping rates are those of other governments and agencies that apply to property within the City.
 Tax rates are per dollar of assessed value. The City’s certified property tax rate may be increased only by a majority vote of the City Council after holding one or more truth-in-taxation public hearings.

Source: Utah State Tax Commission

FY22 Property Tax Rate by Type



Property Tax Rates



**SCHEDULE 9 – PRINCIPAL PROPERTY TAXPAYERS
 Last Ten Fiscal Years**

Taxpayer	2022			2013		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
JL FB Investors LLC ^{1, 2}	\$ 213,626,400	1	2.2%	\$ 130,058,500	1, 7	3.0%
Lonestar SLC I, LLC	146,167,700	2	1.5%		NEW	
VAST SLC Campus, LLC	138,201,100	3	1.4%		NEW	
Aligned Energy Data Centers	103,468,100	4	1.1%		NEW	
Eastgate at Greyhawk LLC	90,373,910	5	0.9%		NEW	
MPT of West Jordan-Steward Property, LLC ¹	78,885,300	6	0.8%	42,559,100	2	1.0%
Oracle America Inc	77,920,200	7	0.8%	28,623,100	5	0.7%
Willowcove International LLC	72,482,080	8	0.8%	24,859,285	6	0.6%
Mountain America Credit Union	66,487,000	9	0.7%	32,021,500	4	0.7%
The Boeing Company	60,888,800	10	0.6%	34,829,600	3	0.8%
Sysco Intermountain Food Services Inc	48,926,600	13	0.5%	16,376,300	10	0.4%
Serengeti Springs LTD ¹	46,471,651	14	0.5%	16,461,500	9	0.4%
Wal-Mart Stores Inc	22,700,500	33	0.2%	17,452,500	8	0.4%
	<u>\$1,166,599,341</u>		<u>12.2%</u>	<u>\$ 343,241,385</u>		<u>8.0%</u>

Note: ¹ Current taxpayer listed, 2013 comparison based on exact same property but different taxpayer.

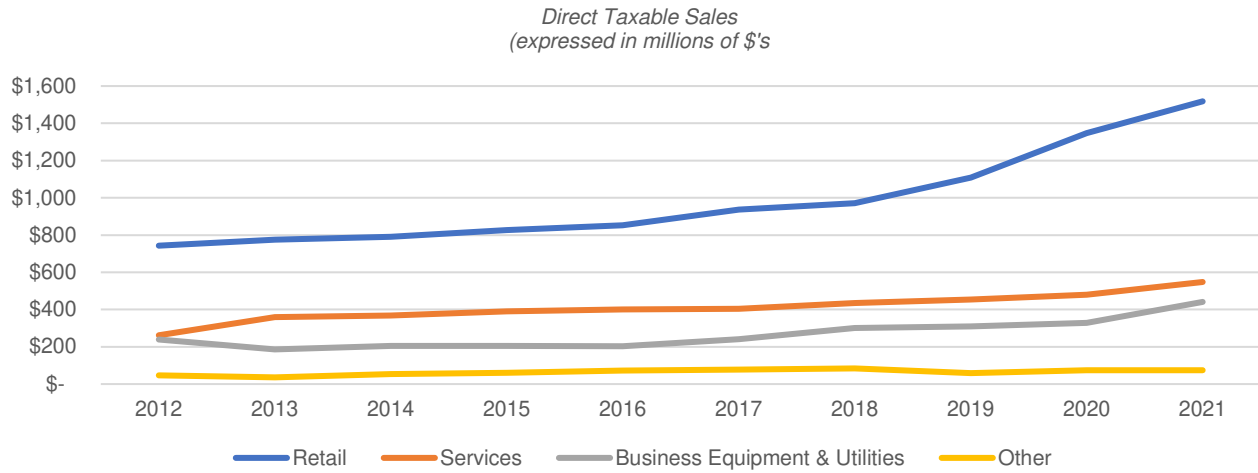
² Three LLC's combined as a single taxpayer in 2022, two of the LLC's were listed separately in 2013 and combined in this report.

Source: Salt Lake County Assessor's Office, West Jordan GIS system

SCHEDULE 10 - DIRECT TAXABLE SALES BY CATEGORY
Last Ten Calendar Years

Calendar Year	Retail	Services	Business Equipment & Utilities	Other	Total	City Direct Sales Tax Rate
2012	742,836,960	262,226,673	239,780,736	45,668,906	1,290,513,275	1.00%
2013	775,684,054	359,063,551	185,857,212	36,431,721	1,357,036,538	1.00%
2014	789,609,154	367,672,604	204,421,596	53,965,617	1,415,668,971	1.00%
2015	826,025,346	390,211,536	205,074,080	59,512,570	1,480,823,532	1.00%
2016	851,709,139	400,680,330	202,872,948	73,223,845	1,528,486,262	1.00%
2017	937,150,637	403,755,345	241,144,821	78,179,700	1,660,230,503	1.00%
2018	971,183,292	434,554,528	300,676,126	84,475,116	1,790,889,062	1.00%
2019	1,107,997,053	454,207,573	309,779,646	59,163,612	1,931,147,884	1.00%
2020	1,347,858,780	479,436,197	327,655,676	75,469,628	2,230,420,281	1.00%
2021	1,518,425,853	548,194,985	441,294,853	74,103,723	2,582,019,414	1.00%

Source: Utah State Tax Commission



**SCHEDULE 11 – DIRECT AND OVERLAPPING SALES TAX RATES
 Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	State of Utah	Salt Lake County	Mass Transit	Botanical, Cultural, Zoo	Total
2013	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2014	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2015	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2016	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2017	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2018	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2019	1.00%	4.70%	0.75%	0.55%	0.10%	7.10%
2020	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2021	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2022	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City. Of the total sales taxes assessed by municipalities within the state, 50% is distributed based on point-of-sale and 50% is pooled and distributed based on population.

Source: Utah State Tax Commission

SCHEDULE 12 – PRINCIPAL SALES TAXPAYERS
Last Ten Fiscal Years

Taxpayer	2022			2013		
	Sales Tax ¹	Rank	Percentage of Total Sales Tax	Sales Tax ¹	Rank	Percentage of Total Sales Tax
Smith's	N/A	1	N/A	N/A	1	N/A
Amazon	N/A	2	N/A	N/A		N/A
Wal-Mart	N/A	3	N/A	N/A	2	N/A
Builders First Source	N/A	4	N/A	N/A		N/A
Sam's Club	N/A	5	N/A	N/A	4	N/A
BMC West/Stock Building Supply ²	N/A	6	N/A	N/A	9, 10	N/A
The Home Depot	N/A	7	N/A	N/A	6	N/A
Sysco Intermountain	N/A	8	N/A	N/A	7	N/A
L.K.L Associates Inc	N/A	9	N/A	N/A		N/A
Rocky Mountain Power	N/A	10	N/A	N/A	3	N/A
Lowe's	N/A	12	N/A	N/A	8	N/A
Target	N/A	15	N/A	N/A	5	N/A
Total	\$ 10,034,107		30.60%	\$ 4,482,897		29.57%

¹ Sales tax information is considered proprietary and cannot be shown by individual payer.

² Companies merged in 2015, separately ranked in 2013

N/A = Not applicable

Source: Utah State Tax Commission

**SCHEDULE 13 – RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Contracts Payable	Unamortized Premiums (Discounts)	Revenue Bonds	Unamortized Premiums (Discounts)			
2013	\$ 7,700,000	\$ 10,207,000	\$ 1,480,783	\$ 1,480,000	\$ 126,039	\$ 1,030,000	\$ -	\$ 22,023,822	0.50%	\$ 204
2014	7,260,000	10,548,000	2,105,811	1,355,000	(38,093)	6,380,000	-	27,610,718	0.61%	255
2015	6,665,000	15,283,000	2,239,565	725,000	(31,825)	5,730,000	-	30,610,740	0.64%	278
2016	6,045,000	12,888,000	2,769,019	590,000	(25,556)	11,590,000	-	33,856,463	0.65%	304
2017	5,420,000	35,926,000	2,070,123	450,000	2,234,678	10,330,000	-	56,430,801	1.04%	496
2018	4,785,000	34,316,000	4,551,005	305,000	2,140,286	18,110,000	-	64,207,291	1.14%	564
2019	4,140,000	31,881,000	3,850,018	155,000	1,648,843	15,855,000	-	57,529,861	0.95%	496
2020	3,485,000	29,341,000	3,546,681	2,250,000	1,417,203	13,555,000	-	53,594,884	0.83%	460
2021	2,815,000	26,656,000	2,495,318	-	1,202,795	10,705,000	1,210,138	45,084,251	0.65%	385
2022	2,135,000	24,725,000	2,337,218	-	1,004,619	9,355,000	968,226	40,525,063	0.59%	348

¹ See Schedule 19 for personal income and population

**SCHEDULE 14 – RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Per capita
2013	7,700,000	4,346,016,547	0.18%	108,062	71
2014	7,260,000	4,602,103,814	0.16%	108,362	67
2015	6,665,000	5,061,158,942	0.13%	110,171	60
2016	6,045,000	5,423,196,626	0.11%	111,273	54
2017	5,420,000	5,830,971,813	0.09%	113,699	48
2018	4,785,000	6,451,595,964	0.07%	113,921	42
2019	4,140,000	7,118,902,101	0.06%	116,046	36
2020	3,485,000	7,782,488,881	0.04%	116,480	30
2021	2,815,000	8,475,345,955	0.03%	116,961	24
2022	2,135,000	9,588,929,064	0.02%	116,541	18

**SCHEDULE 15 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 Last Ten Fiscal Years**

Governmental Unit Taxing Entity	2021 Taxable Value	West Jordan City's Portion of Taxable Value	City's Percentage	Debt Outstanding	City's Portion of Overlapping Debt
Overlapping (General obligation debt):					
Salt Lake County ¹	\$ 142,690,237,993	\$ 9,588,929,064	6.7%	\$ 144,014,463	\$ 9,677,919
Central Utah Water Conservancy District ²	126,895,826,379	9,588,929,064	7.6%	176,332,015	13,324,593
Jordan School District ³	28,883,377,294	9,588,929,064	33.2%	202,927,000	67,369,290
Total overlapping debt					<u>90,371,802</u>
Direct:					
General Obligation Bonds					2,135,000
Revenue Bonds					24,725,000
Capital Leases					2,337,218
Contracts Payable					-
Unamortized Premiums (Discounts)					1,004,619
Total direct debt					<u>30,201,837</u>
Total direct and overlapping debt					<u>\$ 120,573,639</u>

Notes: Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into consideration.

For debt repaid with property taxes the percentage of overlapping debt applicable to the City of West Jordan was estimated using taxable assessed property within the City divided by the taxable assessed value of the taxing entity as disclosed in the sourcing document.

The State of Utah's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

Source: ¹ Salt Lake County Annual Comprehensive Financial Report for year ended June 30, 2021
² Central Utah Water Conservancy District Annual Financial Report for year ended June 30, 2021
³ Jordan School District Annual Financial Report for year ended June 30, 2021

SCHEDULE 16 – LEGAL DEBT MARGIN
Last Ten Fiscal Years

(Amounts expressed in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit										
General										
(4% Fair Cash Value)	\$ 296,801	\$ 285,547	\$ 304,733	\$ 332,159	\$ 355,303	\$ 378,585	\$ 419,260	\$ 463,208	\$ 510,969	\$ 510,969
Water and Sewer										
(4% Fair Cash Value)	296,801	285,547	304,733	332,159	355,303	378,585	419,260	463,208	510,969	510,969
Total 8% Debt Limit	593,602	571,094	609,466	664,318	710,606	757,171	838,521	926,416	1,021,938	1,021,938
Total Net Debt										
Applicable to Limit	7,700	7,260	6,665	6,045	5,420	4,785	4,140	3,485	2,815	2,815
Legal Debt Margin	\$ 585,902	\$ 563,834	\$ 602,801	\$ 658,273	\$ 705,186	\$ 752,386	\$ 834,381	\$ 922,931	\$ 1,019,123	\$ 1,019,123
Total net debt applicable to the limit as a % of the debt limit	1.30%	1.27%	1.09%	0.91%	0.76%	0.63%	0.49%	0.38%	0.28%	0.28%

SCHEDULE 17 – PLEDGED REVENUE COVERAGE, GOVERNMENTAL ACTIVITIES
Last Ten Fiscal Years

Sales Tax Revenue Bonds				
Fiscal Year	Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2013	\$15,161,672	\$ -	\$ -	N/A
2014	15,976,144	-	24,396	N/A
2015	16,845,871	310,000	72,822	44.00
2016	17,371,482	905,000	193,546	15.81
2017	18,583,140	920,000	174,154	16.98
2018	19,922,143	945,000	140,716	18.35
2019	20,933,636	960,000	125,561	19.28
2020	24,666,933	980,000	106,100	22.71
2021	29,007,979	1,005,000	86,178	26.58
2022	32,787,737	1,030,000	65,747	29.92

Tax Increment				
Fiscal Year	Tax Increment Revenue	Debt Service		Coverage
		Principal	Interest	
2013	\$ 2,794,439	\$ 735,000	\$ 209,686	2.96
2014	3,398,395	690,000	171,466	3.94
2015	3,824,806	655,000	135,103	4.84
2016	4,136,309	650,000	100,388	5.51
2017	3,780,491	700,000	65,938	4.94
2018	3,722,099	665,000	146,030	4.59
2019	4,021,956	755,000	114,410	4.63
2020	4,262,252	815,000	80,812	4.76
2021	4,335,581	905,000	44,544	4.57
2022	4,154,654	96,000	4,272	41.43

Note: Details regarding the City's outstanding debt can be found in Note 13 of the Notes to the Financial Statements.

SCHEDULE 18 – PLEDGED REVENUE COVERAGE, BUSINESS-TYPE ACTIVITIES
Last Ten Fiscal Years

Water Revenue Bonds						
Fiscal Year	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 16,172,170	\$ 11,593,674	\$ 4,578,496	\$ 680,000	\$ 41,576	6.35
2014	17,001,425	12,816,500	4,184,925	695,000	93,949	5.30
2015	16,965,634	13,657,873	3,307,761	650,000	140,542	4.18
2016	16,955,828	14,965,284	1,990,544	665,000	126,060	2.52
2017	18,291,855	17,402,966	888,889	675,000	111,430	1.13
2018	20,800,973	16,650,766	4,150,207	1,635,000	279,536	2.17
2019	23,787,446	18,375,750	5,411,696	1,630,000	285,700	2.82
2020	30,153,748	19,029,092	11,124,656	1,665,000	249,380	5.81
2021	32,151,852	19,948,931	12,202,921	1,705,000	212,280	6.36
2022	29,489,396	16,841,800	12,647,596	1,740,000	174,288	6.61

Storm Drain Revenue Bonds						
Fiscal Year	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	N/A	N/A	N/A	\$ -	\$ -	N/A
2014	N/A	N/A	N/A	-	-	N/A
2015	N/A	N/A	N/A	-	-	N/A
2016	N/A	N/A	N/A	-	-	N/A
2017	4,750,119	1,584,739	3,165,380	585,000	138,176	4.38
2018	4,359,885	2,138,785	2,221,100	610,000	114,642	3.07
2019	5,106,898	2,759,368	2,347,530	625,000	102,869	3.23
2020	7,656,906	2,680,387	4,976,519	635,000	90,807	6.86
2021	6,408,891	3,533,270	2,875,621	645,000	78,552	3.97
2022	6,075,187	3,038,827	3,036,360	660,000	66,103	4.18

Notes: Details regarding the City's outstanding debt can be found in Note 13 of the Notes to the Financial Statements.
¹ Revenues include interest and impact fees
² Expenses exclude depreciation, amortization, changes in joint venture, interest expense, and in lieu of tax transfers

SCHEDULE 19 – DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ²	Unemployment Rate ³
2013	108,062	\$ 4,448,048,044	\$ 41,162	5.3%
2014	108,362	4,521,296,088	41,724	4.4%
2015	110,171	4,809,294,663	43,653	3.7%
2016	111,273	5,168,964,669	46,453	3.4%
2017	113,699	5,450,388,963	47,937	3.2%
2018	113,921	5,632,823,845	49,445	3.1%
2019	116,046	5,984,608,266	51,571	3.0%
2020	116,480	6,131,390,720	52,639	6.0%
2021	116,961	6,909,704,997	59,077	3.2%
2022	116,541	6,884,892,657	59,077	2.0%

Sources: ¹ United States Census Bureau for the City of West Jordan, Utah
² U.S. Department of Commerce, Bureau of Economic Analysis for Salt Lake County/City.
³ Utah Department of Workforce Services for Salt Lake County

SCHEDULE 20 – PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

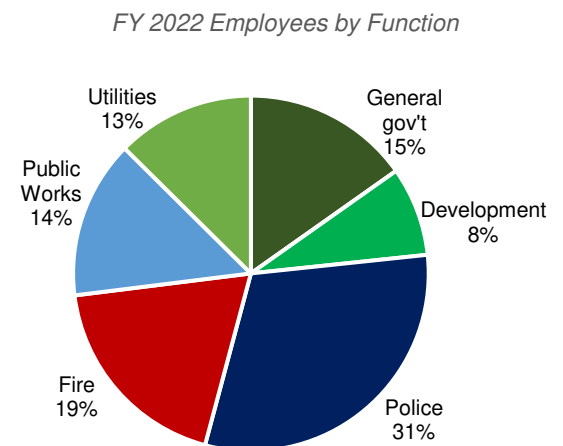
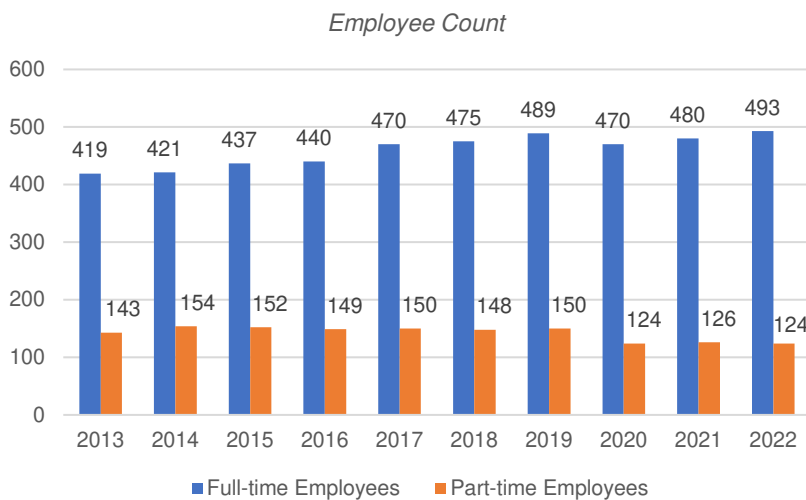
	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jordan School District	3,878	1	6.63%	3,238	1	5.81%
Amazon	1,200	2	2.05%			
Jordan Valley Medical Center	683	3	1.17%	625	2	1.12%
West Jordan City	617	4	1.05%	570	4	1.02%
Smith's Food and Drug	490	5	0.84%	457	5	0.82%
Sysco Intermountain Food Services	407	6	0.70%	438	6	0.79%
Snugz USA Inc	392	7	0.67%			
SME Industries	375	8	0.64%	375	8	0.67%
Wal-Mart	372	9	0.64%	372	9	0.67%
National Benefit Services	278	10	0.48%			
Fairchild Semi-conductor				575	3	1.03%
Mountain America Credit Union				391	7	0.70%
Target				272	10	0.49%
	<u>8,692</u>		<u>14.87%</u>	<u>7,313</u>		<u>13.12%</u>

Source: West Jordan Business License Division, Jordan School District Annual Financial Report, US Department of Labor Bureau of Labor Statistics

**SCHEDULE 21 – FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	66	68	72	73	66	67	67	65	65	73
Community development	21	21	23	25	38	39	39	38	38	40
Public safety										
Police	148	147	146	146	152	152	157	152	152	152
Fire	85	85	85	85	86	86	95	93	93	93
Highways & public improvements	43	46	48	48	55	55	55	45	45	44
Parks, recreation and culture	16	15	16	16	17	17	17	16	16	18
Fleet management	7	6	8	8	8	8	8	9	9	9
Risk management	0	0	0	0	0	0	0	1	1	2
Water	18	18	20	20	19	19	19	19	27	28
Sewer	10	10	12	12	12	15	15	15	16	16
Solid Waste	1	1	1	1	2	2	2	2	3	3
Storm Water	4	4	6	6	15	15	15	15	15	15
Total Full Time Equivalent Employees	419	421	437	440	470	475	489	470	480	493
Seasonal (Part Time) Employees	143	154	152	149	150	148	150	124	126	124
Total Employees	562	575	589	589	620	623	639	594	606	617

Source: West Jordan Adopted Budgets



SCHEDULE 22 – OPERATING INDICATORS
Last Ten Fiscal Year

<u>Function/Program</u>	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community development										
Residential building permits issued	727	809	965	1,406	2,003	1,644	1,490	1,859	2,009	1,891
Commercial building permits issued	186	197	229	226	237	277	298	208	236	249
Police										
Calls for service	61,501	60,017	64,291	64,019	60,645	57,662	59,048	61,632	59,848	65,123
Arrests	3,042	2,981	2,900	3,677	2,846	2,474	2,846	3,068	2,337	3,577
Fire										
Medical responses	3,798	3,902	4,341	4,191	4,950	5,523	5,317	4,777	5,569	6,095
Fire responses	1,879	1,760	1,934	1,059	1,280	1,434	1,939	1,380	1,594	1,593
Water										
Customers Residential	20,545	20,761	21,055	21,544	21,679	22,050	22,490	22,840	23,078	23,717
Customers Commercial	1,567	1,605	1,657	1,664	1,749	1,755	1,783	1,844	1,917	2,006
Average daily consumption (in millions of gallons)	18.35	18.54	18.49	20.15	19.82	20.78	19.47	19.62	21.17	19.88
Sewer										
Sewer line miles inspected	18	20	13	23	27	33	46	89	83	65
Sewer line miles cleaned	83	87	88	111	94	90	50	110	95	104

SCHEDULE 23 – CAPITAL ASSETS
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Patrol units ¹	77	77	49	29	13	13	12	12	59	108
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	6	6	6	6	6	6	6	6	7	7
Ambulances	5	5	5	5	6	6	5	5	5	5
Public works										
Streets (miles)	329	334	336	339	343	347	351	355	357	357
Parks & recreation										
Acreage	338	348	354	354	342	347	353	353	353	374
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	13
Soccer fields	20	20	20	20	20	18	18	19	19	19
Water										
Storage capacity (millions of gallons)	30.5	30.5	37.5	37.5	37.5	37.5	41.5	45.5	45.5	46.5

Notes:

¹ In 2015, the City began to lease (rent) patrol vehicles on a three-year rotational basis. The program was phased in over a three-year period. In 2020, the City began exiting the lease program and began buying out the leases. The exit will be phased over a three-year period.

Source: West Jordan internal departments, geographical information system, and financial fixed asset system

SINGLE AUDIT SECTION



For Fiscal Year Ended June 30, 2022



West Jordan City Hall

CITY OF WEST JORDAN
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Fiscal Year Ended June 30, 2022



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Award Identification Number</u>	<u>Pass-through Grantor's Number</u>	<u>Passed Through to Sub-Recipients</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development</u>					
Direct Programs:					
Community Development Block Grant	14.218	B-14-MC-49-0007	N/A	\$8,189	\$ 124,293
Community Development Block Grant	14.218	B-15-MC-49-0007	N/A	38,203	41,778
Community Development Block Grant	14.218	B-16-MC-49-0007	N/A	71,983	71,983
Community Development Block Grant	14.218	B-17-MC-49-0007	N/A	19,370	23,070
Community Development Block Grant	14.218	B-20-MC-49-0007	N/A	105,415	105,565
Community Development Block Grant	14.218	B-21-MC-49-0007	N/A	51,914	151,019
COVID-19 Community Development Block Grant	14.218	B-20-MW-49-0007	N/A	229,360	280,675
Total Housing and Urban Development				\$ 524,434	\$ 798,383
<u>Department of the Treasury</u>					
Passed through Salt Lake County, Utah:					
COVID-19 Coronavirus Relief Fund	21.019	N/A	None	\$ -	\$ 10,963,509
Total Department of the Treasury				\$ -	\$ 10,963,509
<u>Department of Justice</u>					
Direct Programs:					
Federal Asset Sharing Program	16.922	UT0180600	N/A	\$ -	\$ 9,243
Edward Byrne Memorial Justice Assistance 2021	16.738	15PBJA-21-GG-01915-JAGX	N/A		22,470
Passed through State of Utah:					
Utah Office for Victims of Crimes (VOCA)	16.575	2018-V2-GX-0051	20VOCA79	-	17,707
Utah Office for Victims of Crimes (VOCA)	16.575	2019-V2-GX-0063	21VOCA79	-	65,319
Internet Crimes Against Children (ICAC)	16.543	15JDP-21-GK-03803-MECP		-	12,168
Total Department of Justice				\$ -	\$ 126,908
<u>Department of Homeland Security</u>					
Direct Programs:					
FEMA Fire Prevention and Safety Grant	97.044	EMW-2020-FP-00995	N/A	-	17,532
Passed through State of Utah:					
State Homeland Security Protection Grant	97.067	EMW-2019-SS-00008	DEM-2019-SHSP-00	-	24,000
Total Department of Homeland Security				\$ -	\$41,532
Total expenditures of federal awards				\$ 524,434	\$11,930,332

See notes to the Schedule of Expenditures of Federal Awards.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 - Purpose of the Schedule

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements. The Schedule is required by the US Office of Management and Budget (OMB) Uniform Guidance.

Note 2 - Significant Accounting Policies

Basis of Accounting

The information in the Schedule is presented in accordance with Uniform Guidance. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

Major Programs

Uniform Guidance establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. The federal award tested as a major program was CARES Act number 21.019.

Indirect Costs

Generally, the City does not charge indirect costs to grants, and therefore, does not use the 10 percent de minimis indirect cost rate.

SUPPLEMENTAL AUDIT REPORTS



For Fiscal Year Ended June 30, 2022



View of the Wasatch Front and West Jordan City



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**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***

Honorable Mayor and
Members of the City Council
City of West Jordan
West Jordan, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Jordan (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2022.

Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is 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.

KYC, CPA₂

Salt Lake City, Utah
December 15, 2022



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and
Members of the City Council
City of West Jordan
West Jordan, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of West Jordan, Utah's (the City) 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 each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 the City 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 each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's 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 the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *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 the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated December 15, 2022, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

KYC, CPA₂

Salt Lake City, Utah

December 15, 2022

**CITY OF WEST JORDAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Fiscal Year Ended June 30, 2022**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|---|------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None noted |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------------|
| 1. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None noted |
| 2. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 3. Any findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Any audit findings in the prior year regarding federal awards? | No |
| 5. Federal programs tested as a major program: | |
| <u>Name of Federal Program:</u> | <u>CFDA Number:</u> |
| Community Development Block Grant | 14.218 |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 |
| 6. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 7. Auditee qualified as low-risk auditee? | Yes |

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Honorable Mayor and
Members of City Council
City of West Jordan
West Jordan, Utah

Report on Compliance

We have audited the City of West Jordan's 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 June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems Compliance

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City of West Jordan's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Compliance

In our opinion, the City of West Jordan complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

Report On Internal Control Over Compliance

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

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

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

We noted one matters involving internal control over compliance which we are submitting for your consideration. These matters are described in the accompanying Schedule of Findings and Recommendations.

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

KYC, CPA₂

Salt Lake City, Utah
December 15, 2022

CITY OF WEST JORDAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2022

2022-01 Governmental Fees

Finding

The State Compliance Audit Guide requires auditors to test four Governmental Fees to determine the following:

1. Are the revenues and expenses tracked for each specific service or regulatory activity for which the fees are charged?
2. If fee revenue is in excess of expenses, does the entity track those excess revenues to only be used for the intended purpose of the fee in subsequent years?
3. Was a reasonable methodology used to calculate the fee?

The State Compliance Audit Guide does not indicate any legal reference to the state code requiring the city to account for governmental fees as noted above nor is there any accounting guidance that required such accounting.

The four fees selected all had separate general ledger accounts or are recorded within a general ledger account that can be separated out from the other fees.

Since the City is not required to track the related expenses for the fees tested, the City does not do so, and therefore the City does not determine or track the excess of revenues for the fees tested.

The methodology used to determine the fees tested is the City Council determined what fee should be charged.

Recommendation

We cannot provide a recommendation since the City is not required to track separately the related expenses.

City Response:

While we agree with the auditor's recommendation, we have chosen to create a special revenue fund for all development service fees and associated expenditures in the Annual Budget for Fiscal Year 2023 in an effort to increase transparency and meet this compliance request.

CITY OF WEST JORDAN
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Fiscal Year Ended June 30, 2022

Status of Prior Year Findings

2021-01 Expenditures in Excess of Budget (Significant Deficiency)

Condition: During our audit procedures, we noted that the

- RDA Fund exceeded budgeted expenditures by \$1,925,745.
- MBA Fund exceeded budgeted expenditures by \$348,235.

Criteria: Utah Code 10-6-123 states “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.”

Cause: The City incurred more expenditures in the RDA & MBA Funds than had been budgeted for.

Effect: The City did not comply with Utah Code 10-6-123.

Recommendation: We recommend the City comply with the Utah Code 10-6-123.

Status of Finding

We did not note a similar finding in fiscal year ended June 30, 2022. It appears this finding has been resolved.

2021-02 Fund Balance (Significant Deficiency)

Condition: During our audit procedures, we noted a fund deficit in the Fire Impact Fee fund in the amount of \$90,065 and noted that there did not appear to be an appropriation made in the subsequent fiscal year’s approved budget to retire that deficit.

Criteria: Utah Code 10-6-117(2)(a) states: “If there is a deficit fund balance in a fund at the close of the last completed fiscal year, the governing body of a city shall include an item of appropriation for the deficit in the current budget of the fund equal to at least 5% of the total revenue of the fund in the last completed fiscal year.”

Cause: The City did not make an appropriation in the subsequent fiscal year’s budget to retire the deficit in the Fire Impact Fee fund.

Effect: The City did not comply with Utah Code 10-6-117

Recommendation: We recommend the City comply with the Utah Code 10-6-117

Status of Finding

We did not note a similar finding in fiscal year ended June 30, 2022. It appears this finding has been resolved.