

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



***FISCAL YEAR ENDED  
JUNE 30, 2023  
WEST JORDAN, UTAH***

# **Annual Comprehensive Financial Report**

**For Fiscal Year Ended June 30, 2023**

## **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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**For Fiscal Year Ended June 30, 2023**

## 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)*

January 31, 2024

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

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of West Jordan, Utah (the City), for the fiscal year ended June 30, 2023. This report has been prepared by the City's Administrative Services Department, in accordance with Generally Accepted Accounting Principles (GAAP) established for local governments 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, providing reasonable assurance that the financial statements for the fiscal year ended June 30, 2023, 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, 2023, 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 requires 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. City management is responsible for the accuracy, completeness, and fairness of the presented data, including all disclosures and supplementary information in this report. 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.



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## Government Profile

The City of West Jordan, incorporated on January 10, 1941, boasts a thriving community with a current population of 119,401, making it the third-largest city in the state. Recognized as a city of the first class, by the State of Utah, West Jordan's future looks promising, with a projected population of 175,000 at its build-out. Nestled within the heart of the Salt Lake metropolitan area, the city spans 32.02 square miles.

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 residents of West Jordan voted to approve a change in the form of government, transitioning from Council-Manager to Council-Mayor on January 6, 2020. This change assigned the executive functions to the elected mayor and legislative responsibilities to a seven-member council. The Council is responsible for passing ordinances and adopting the budget, while the Mayor is responsible for overseeing day-to-day operations, and effectively managing departments and services within budget constraints.

Component units are entities for which the City bears financial accountability. Blended component units, though legally separate entities, are considered to be part of governmental operations, and so are included in our budget reporting and financial statements.

Utah state law requires the City to adopt an annual budget for all funds, and requires all funds maintain a balanced budget, with limited exceptions. State law also requires that departmental expenditures do not exceed appropriated funding levels, except in cases of emergency situations, like natural disasters. 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 2023 Economic Report to the Governor, "Utah enters 2023 facing significant economic uncertainty as decision-makers continue to grapple with ever-changing pockets of economic strength and weakness. The post-pandemic economy has altered many traditional economic relationships. These economic transformations make accurate predictions challenging because it's unclear if or when old patterns will return, or if new arrangements will chart a different economic course."

The Report to the Governor listed three plausible scenarios for Utah's economy in 2023:

1. 2% - 4% continuing growth, or
2. -1% - 1% shallow recession, or
3. 0% - 2% decelerating growth.

As of June 2023, the state is experiencing decelerating growth, moderating inflation, and rising interest rates. Household spending continues to accelerate, driven by ongoing inflation, though at a slower pace than the previous year.

The Report continues, "Utah's 2023 economy is expected to moderate from 2022's vigorous pace. While Utah's economy generally outperforms the national average, it tends to follow national business cycle trends. Addressing inflation will be 2023's dominant national economic story."

In 2023, forecasts project Utah's job growth slowing to 2.0%, with unemployment rising upward to 2.6% or marginally higher.

According to estimates from the Utah Population Committee, Utah's population grew by 61,242, reaching 3.4million in 2022. About 62 percent of this growth came from net in-migration, as people moved to the state to take advantage of economic opportunity.

In 2022, higher home prices and a doubling of mortgage rates combined to erode housing affordability. This led to decreased demand, and new housing construction steeply declined in the second half of 2022. Local governments issued an estimated 29,500 residential permits in 2022, a 26.5% decrease from the record of 40,144 in 2021. Housing affordability remains a leading risk to Utah's long-term economic performance.

### *Local Economy*

Over the past two fiscal years, the City has prioritized long-term financial sustainability by using conservative revenue estimates. Revenue exceeding these estimates has been treated as one-time funding. This fiscal year, taxable sales experienced a year-over increase of 2.0%, which is lower than the previous fiscal year's increase of 13.0%. The City anticipated this shift in consumer behavior and prepared by treating the above-average growth of the past few years as one-time revenue, transferring it to the Capital Improvement Projects Fund. This practice prepared the City to adapt to economic changes without compromising on-going services or infrastructure management.

In June 2023, the unemployment rate in Salt Lake County had increased to 2.70% from 2.4% in the same period in the prior year.

In FY 2023, there were 1,456 residential construction permits issued, a decrease of -23% from the prior fiscal year, and 209 commercial building permits issued, a decrease of -39% from the previous fiscal year. The City continues to work with major developers on large master-planned communities, as well industrial, and commercial developments with some mixed-use residential areas. These developments hold significant economic importance not only for the City but also the State of Utah.

West Jordan boasts the largest contiguous acreage of undeveloped land in Salt Lake County, making it one of only two areas left where new large-scale industrial development can take place. Additionally, the City's resident labor force accounts for 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 home to several major industrial and commercial businesses, including a 1.2 million square-foot Amazon Fulfillment Center, 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 others.

The City continues to partner with Aligned Energy, fostering expansion which will more than double its current capacity in 2024. Future improvements will also 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, understanding their potential impact on the City's ability to sustain essential services. We have implemented five-year financial plans that are adopted annually as a part of the budget. Ongoing revenues are dedicated to support recurring expenses, while one-time revenues are dedicated to singular purchases.

The City recognizes that trend analysis is no longer a reliable predictor of future behavior. We are acutely aware of the potential influence of inflation on consumers and taxpayers. As economies continue to evolve rapidly, 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, 2022. This marks the 41<sup>st</sup> consecutive year the City has received the award. The Certificate of Achievement is a prestigious national award and recognizes conformance with the highest standards for preparation of state and local government financial reports.

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.

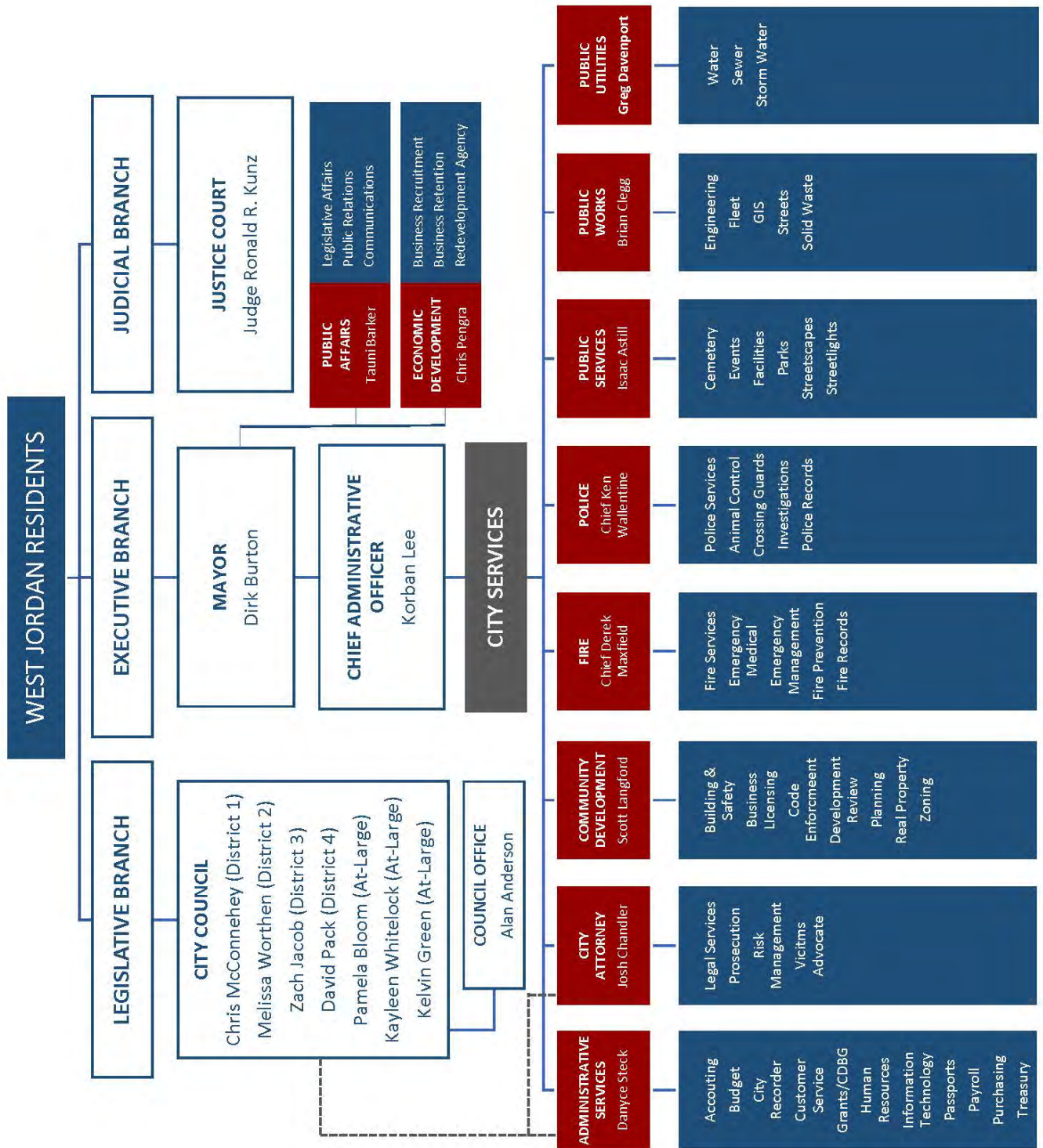
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the City's Administrative Services Department staff and Keddington and Christensen LLC. Each member of the team has our sincere appreciation for the contributions made in the 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**

Mayor .....	Dirk Burton
Councilmember At-large .....	Kayleen Whitelock
Councilmember At-large .....	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

**Appointed Officials (as required by state law)**

Chief Administrative Officer .....	Korban Lee
City Attorney .....	Josh Chandler
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 .....	Josh Chandler
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

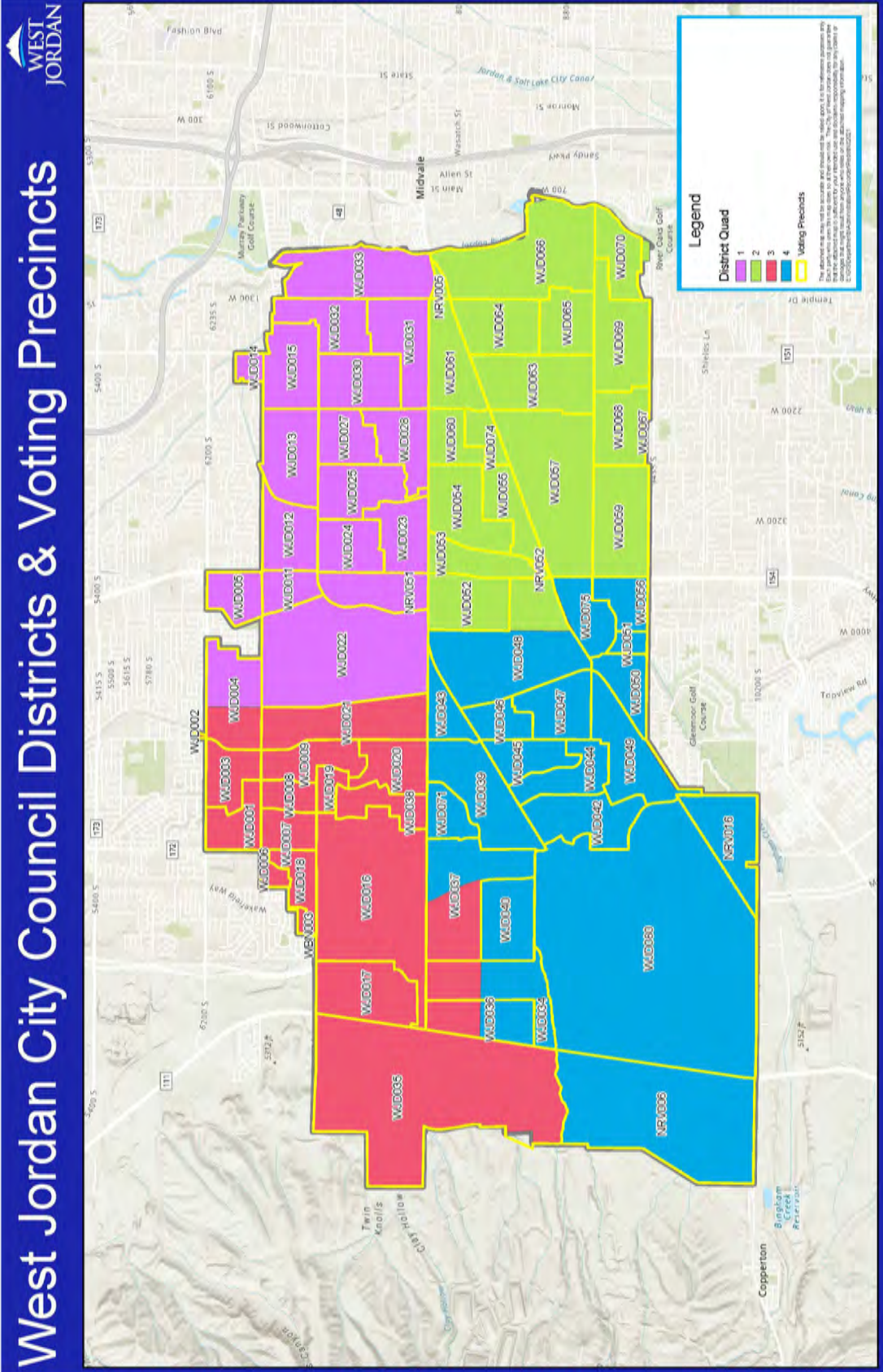
**City of West Jordan  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



## FINANCIAL SECTION



**For Fiscal Year Ended June 30, 2023**





*West Jordan Fire Department*



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, 2023, 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, 2023, 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.

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

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- 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, 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  
Woods Cross, Utah  
February 29, 2024

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, 2023. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

## FINANCIAL HIGHLIGHTS

- On June 14, 2023, the City experience a cyber-attack which resulted in a loss of all technology systems for a period of 40 days. The City chose not to engage the attacker but instead to focus its resources on recovery and redesign. The financial impact of this event will be referenced in this discussion as a reason for some unusual activities such as increased receivable and payable balances and the delay of an audit opinion.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$767,935,974 (net position). Of this amount, \$141,442,860 (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 \$47,204,255 including a prior period adjustment in the amount of -\$4,082,284. Of this increase, \$25,625,678 (54.3%) is attributable to governmental activities and \$21,578,577 (45.7%) to business-type activities.

The increase in governmental activities can be attributed to the receipt of federal and state grants, changes in sales tax due to inflation, and changes in the net pension liability.

The increase in business-type activities is intended to support the City's five-year utility plans. The City continues to focus resources on 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 \$102,281,994 which is a two percent (2.1%) increase, or \$2,068,921 from the prior fiscal year. This is largely due to the receipt of federal grants and an inflationary property tax increase of 5%.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,990,716 or 25.2 percent of actual General Fund revenues. The General Fund's net change of fund balance was a decrease of -\$9,857,582 which can be primarily attributed to the General Fund's transfer of \$15 million to the Capital Improvement Projects Fund, and the increases of \$1.2 million in property tax and \$1.2 million in franchise tax.
- In fiscal year 2023, the City elected to transfer all development-related fees and their associated costs to a special revenue fund reported as the Development Services Fund. The purpose for this change was to increase transparency related to the cost of development. The revenue and expenditures were previously reported in the General Fund.
- In fiscal year 2023, the City elected to become self-insured for its employee medical plan which was reported in the Benefits Management Fund. The City contributed \$2.25 million in contributions in excess of its calculated claims coverage to establish a financial reserve. These excess contributions were paid from the General Fund and are considered a one-time contribution.
- The City's total long-term liabilities (excluding net pension liability) decreased by -\$3,494,802, or -8.9 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 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, 2023, the City's combined governmental fund balance is \$102,281,994. Of that balance, \$574,369 is nonspendable, \$26,692,428 is restricted, \$57,024,481 is assigned, and \$17,990,716 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 eleven (11) individual governmental funds:

- General Fund
- Redevelopment Agency Fund (RDA)
- Capital Improvement 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
- Development Services 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 Improvement 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, the management of its self-insured employee medical plan in the Benefits 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 and applies prior period adjustments retroactively.

	Governmental activities		Business-type activities		Total	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
Current and noncurrent assets	\$ 164,949,953	\$ 171,740,535	\$ 64,243,868	\$ 68,486,373	\$ 229,193,821	\$ 240,226,908
Capital assets	361,724,606	376,384,802	242,416,785	253,144,179	604,141,391	629,528,981
Total assets	526,674,559	548,125,337	306,660,653	321,630,552	833,335,212	869,755,889
Total deferred outflows of resources	7,662,029	9,972,742	612,908	816,452	8,274,937	10,789,194
Long-term liabilities	30,109,490	28,238,588	9,101,567	7,477,667	39,211,057	35,716,255
Net pension liability	-	5,487,650	-	451,361	-	5,939,011
Other liabilities	20,382,697	38,540,408	14,389,123	10,888,229	34,771,820	49,428,637
Total liabilities	50,492,187	72,266,646	23,490,690	18,817,257	73,982,877	91,083,903
Total deferred inflows of resources	45,104,901	21,466,255	1,790,652	58,951	46,895,553	21,525,206
Net position:						
Net investment in capital assets	329,856,795	343,354,313	230,102,998	233,214,217	559,959,793	576,568,530
Restricted	27,439,216	32,432,461	5,236,455	17,492,123	32,675,671	49,924,584
Unrestricted	81,443,489	88,578,404	46,652,766	52,864,456	128,096,255	141,442,860
Total net position	\$ 438,739,500	\$ 464,365,178	\$ 281,992,219	\$303,570,796	\$ 720,731,719	\$ 767,935,974

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 \$767,935,974 as of June 30, 2023. This is an increase of \$47,204,255 (6.6%) from the previous fiscal year.

As of June 30, 2023, 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 (75.1%) 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 and applies prior period adjustments retroactively.

	Governmental activities		Business-type activities		Total	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 16,113,826	\$ 15,520,052	\$ 56,594,686	\$ 58,369,693	\$ 72,708,512	\$ 73,889,745
Operating grants and contributions	17,190,808	7,770,027	-	-	17,190,808	7,770,027
Capital grants and contributions	4,248,196	12,748,764	10,212,333	10,326,415	14,460,529	23,075,179
General revenues						
Sales tax	32,787,737	33,600,667	-	-	32,787,737	33,600,667
Property tax	19,339,445	20,532,986	-	-	19,339,445	20,532,986
Tax increment	4,154,654	3,750,574	-	-	4,154,654	3,750,574
Franchise tax	8,175,138	9,386,413	-	-	8,175,138	9,386,413
Investment income	423,299	3,789,082	201,757	2,013,195	625,056	5,802,277
Gain on disposal of assets	8,733	24,233	-	-	8,733	24,233
Miscellaneous	886,476	730,975	-	-	886,476	730,975
<b>Total revenues</b>	<b>103,328,312</b>	<b>107,853,773</b>	<b>67,008,776</b>	<b>70,709,303</b>	<b>170,337,088</b>	<b>178,563,076</b>
<b>Expenses</b>						
General government	7,803,536	9,742,778	-	-	7,803,536	9,742,778
Community development	5,047,174	7,959,047	-	-	5,047,174	7,959,047
Public safety	31,277,858	37,650,295	-	-	31,277,858	37,650,295
Highways & public improvements	17,519,124	20,771,763	-	-	17,519,124	20,771,763
Parks, recreation, and culture	6,532,138	7,515,562	-	-	6,532,138	7,515,562
Debt - Interest and fiscal charges	1,003,851	927,315	-	-	1,003,851	927,315
Water	-	-	19,959,645	23,846,337	19,959,645	23,846,337
Sewer	-	-	12,384,680	12,354,147	12,384,680	12,354,147
Solid waste	-	-	5,002,840	5,340,668	5,002,840	5,340,668
Storm water	-	-	4,441,550	4,453,078	4,441,550	4,453,078
Streetlight	-	-	837,703	797,831	837,703	797,831
<b>Total expenses</b>	<b>69,183,681</b>	<b>84,566,760</b>	<b>42,626,418</b>	<b>46,792,061</b>	<b>111,810,099</b>	<b>131,358,821</b>
Increase (decrease) in net position before transfers	34,144,631	23,287,013	24,382,358	23,917,242	58,526,989	47,204,255
Transfers - net	2,574,386	2,338,665	(2,574,386)	(2,338,665)	-	-
Increase (decrease) in net position	36,719,017	25,625,678	21,807,972	21,578,577	58,526,989	47,204,255
Net position at beginning of year	402,020,483	438,739,500	260,184,247	281,992,219	662,204,730	720,731,719
<b>Net position at end of year</b>	<b>\$ 438,739,500</b>	<b>\$ 464,365,178</b>	<b>\$ 281,992,219</b>	<b>\$ 303,570,796</b>	<b>\$ 720,731,719</b>	<b>\$ 767,935,974</b>

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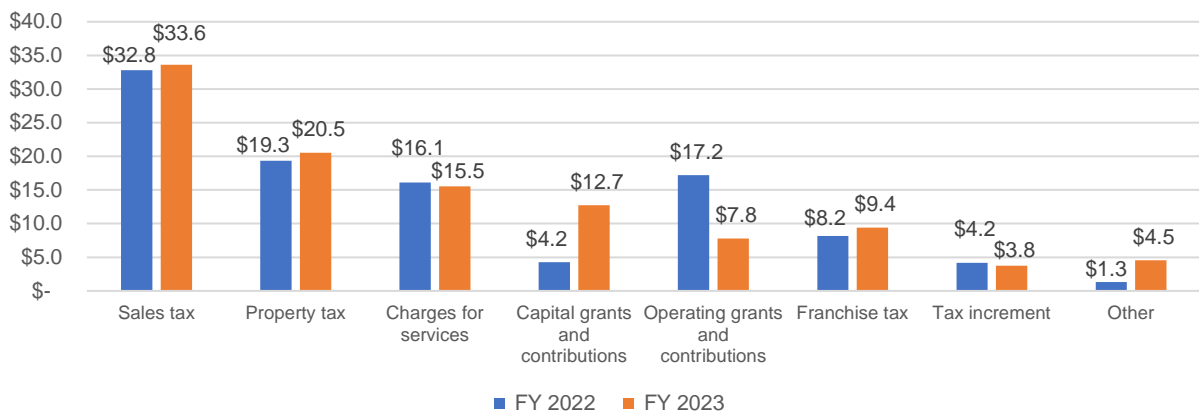
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

*Governmental Activities* – Governmental activities increased the City’s net position by \$25,625,678 (5.8%) which is approximately -\$11.3 million less than the prior year’s increase. Key elements affecting the change in governmental activities net position are as follows:

In total, governmental activities revenue increased by 4.4%, or \$4,525,461 from the prior year. Significant changes are as follows:

- *Sales tax and Property tax:* The City adopted a modest 5% inflationary property tax increase and reported a 2% increase in sales tax.
- *Capital grants and contributions:* The City reported an increase of \$8.5 million in capital grants and contributions over the previous year. \$5.7 million of this increase is attributed to additional contributions from other government agencies for road projects, specifically the 8600 South bridge over Mountain View Corridor. In addition, the City received \$2.8 million more in infrastructure from developers than the previous year.
- *Operating grants and contributions:* In the prior fiscal year, the federal government contributed \$10 million towards the operations of the City which resulted in a significant decrease in operating grants and contributions in the current fiscal year.
- *Franchise tax:* Increases in utility rates for power and gas resulted in an increase in franchise taxes.
- *Other:* Interest rates combined with an increase of cash to invest significantly increased investment-related revenue by \$3,365,783 more than the previous fiscal year. This activity is reported as Other in the chart below. In addition, the City began using an investment broker and investing more of its available cash in short-term investments.

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



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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Total governmental activities expense increased by \$15,383,079 (22.2%) from the prior year. Direct expense increased by \$18,473,466 but was reduced by changes in the pension liability. Changes in pension liability decreased expense by \$3,090,387.

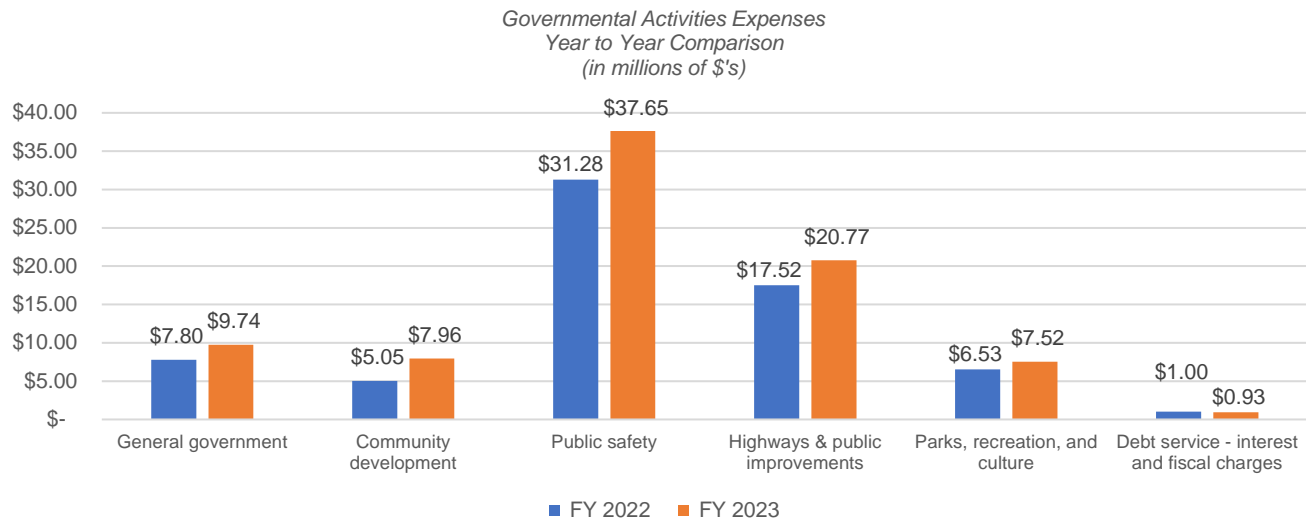
- In FY 2022 and 2023, the City enhanced the compensation plan to remain competitive with other government agencies. These compensation adjustments in public safety resulted in a \$2.0 million increase for police services and a \$850,000 increase for the fire services from the previous fiscal year.
- In fiscal year 2023, the City elected to become self-insured for its employee medical plan which was reported in the Benefits Management Fund. The City contributed \$2.25 million in contributions in excess of its calculated claims coverage to establish a financial reserve. These excess contributions were paid from the General Fund and are considered a one-time contribution.
- 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.
- The City contributed \$2.25 million to strengthen the financial reserve of the IT Management Fund as work commenced on the redesign of the City’s network and information systems. This activity was report under General Government.
- The City contributed an extra \$1.0 million to the Fleet Management Fund from the police and fire departments to for inflationary cost increases in vehicle purchases and future replacements.
- Expenses attributed to community development increased dramatically as costs which were previously reported under other activities were allocated to the new Development Services Fund (i.e. engineering, administration, etc). This increase is actually a reallocation of costs and reduces the activity reported in both general government and highways and public improvements. This new special revenue fund provides greater transparency to the costs related to development-related services.
- Expenses in highways and public improvements, and parks, recreation, and culture increased by \$3.8 million due to the increased cost of both materials and labor from hyper-inflation as well as an increase in service levels. This includes the addition of 11 full-time employees to the City’s personnel plan.

Year-end adjustments to the net pension liability decreased expense by \$3.1 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 2022	FY 2023	Change
General government	\$ (1,133,652)	\$ (457,513)	\$ 676,139
Community development	(451,770)	(180,307)	271,463
Public safety	(4,951,041)	(2,048,521)	2,902,520
Highways & public improvements	(732,341)	(297,068)	435,273
Parks, recreation, and culture	(247,502)	(106,978)	140,524
	<u>\$ (7,516,306)</u>	<u>\$ (3,090,387)</u>	<u>\$ 4,425,919</u>

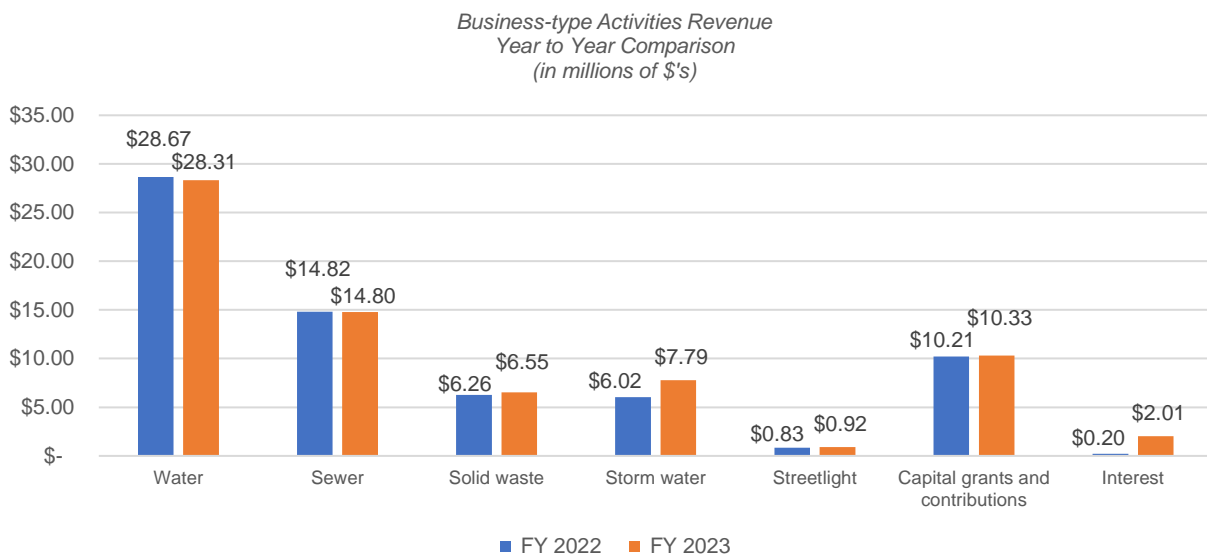
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**



**Business-type Activities** – Business-type activities increased the City’s net position by \$21,578,577 which is -\$229,395 less than the prior year’s increase after the prior period adjustment is applied retroactively. Key elements affecting this change in business-type net position are as follows:

- Total business-type activities revenue increased by 5.5% (\$3.7 million). Investment income is a significant portion of this increase, consisting of \$1.8 million more than the prior year. In addition, charges for services increased by \$1.8 million (3.1%) as the City increased utility rates by an average of about the same percentage.

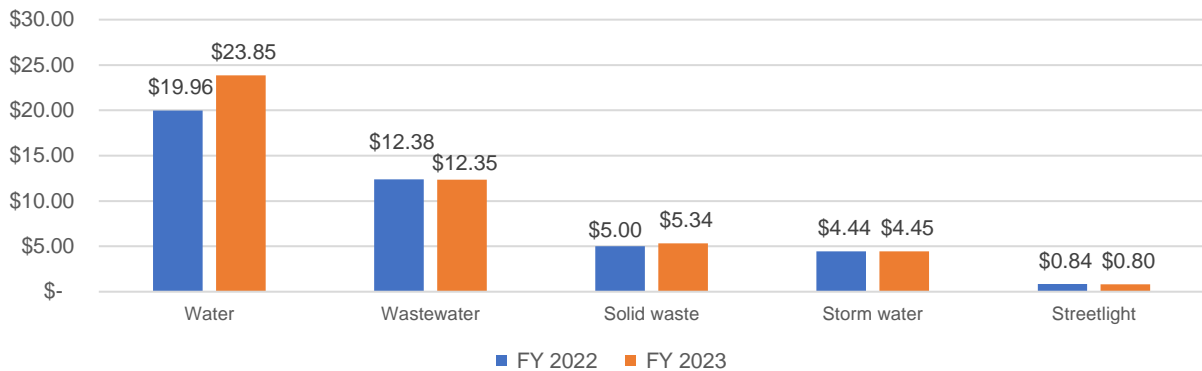


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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

- Total business-type activities expenses increased by 9.8% (\$4.1 million). A significant portion of this increase is reported in the water fund with an increase of \$3.8 million. This amount is attributed to and increase to the price of water purchased from the City’s wholesaler (\$1.1 million) and the construction of several water tanks (\$3.0 million), and the continued investment in a radio-read metering system. The Solid Waste Fund reported an increase related to outside service contracts for garbage/recycling collection and disposal. Other changes were immaterial.

*Business-type Activities Expenses  
 Year to Year Comparison  
 (in millions of \$'s)*



**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 Improvement 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
- Development Services Fund

As of June 30, 2023, the City’s governmental funds reported combined fund balances of \$102,281,994. This represents an increase of \$2,068,921 from last year’s ending balances.

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**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

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* - \$574,369, or 0.5%
- *Restricted* - \$26,692,428, or 26.1%
- *Assigned* - \$57,024,481 or 55.8%
- *Unassigned* - \$17,990,716, or 17.6%

**General Fund**

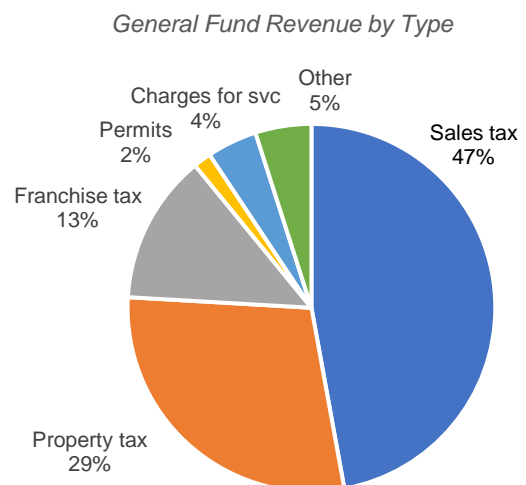
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Expenditures exceeded revenues (including other financing sources and uses) by -\$9,857,582.

*General Fund Revenues*

General Fund revenue decreased by -\$10,410,062 (-12.6%) from the prior year for primarily two (2) reasons – the removal of federal assistance and the reclassifying development-related revenue to the Development Services Fund.

- Taxes continue to be the largest source of revenue in the General Fund and represent 89.1% of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 52.9% of tax revenues and 47.1% 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 the risk to economic change.

During the five (5) years prior to the pandemic (FY 2015 through FY 2019), the City averaged sales tax revenue growth of approximately 6.2 percent. Between FY 2020 and FY 2022, the City averaged sales tax revenue growth of 16.5 percent. As the economy continued to change, sales tax realized growth in FY 2023 was limited to \$812,930 (2.5%).





**FUND ANALYSIS (continued)**

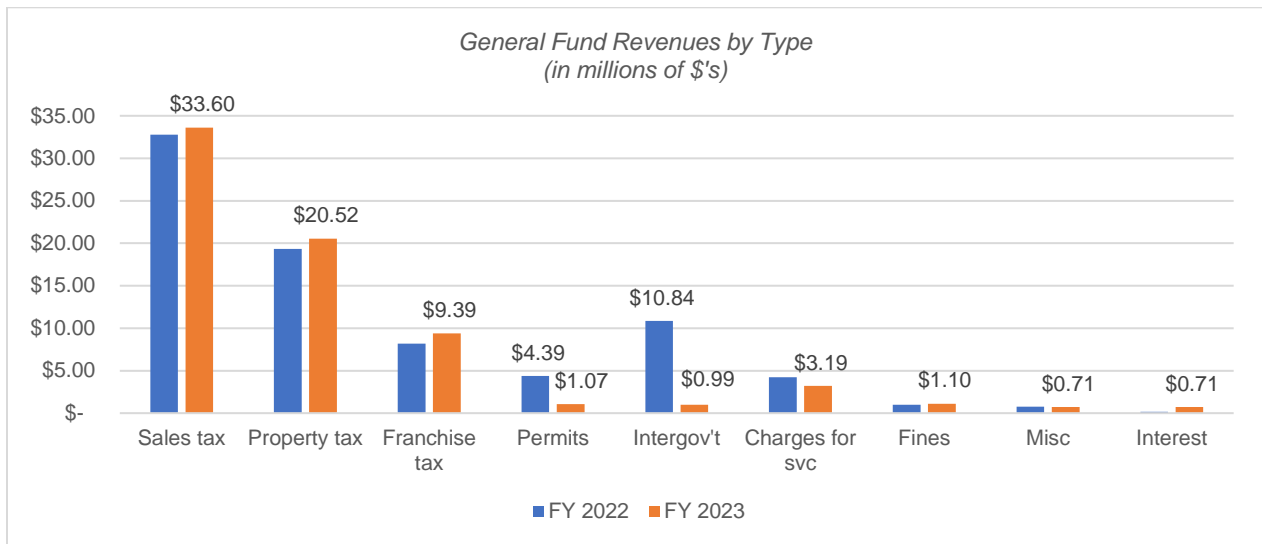
A. Governmental Funds (continued)

**General Fund (continued)**

*General Fund Revenues (continued)*

In order to provide for long-term sustainability and reduce economic risk, the City allocated sales tax in excess of the 5 percent growth for one-time uses between FY 2020 through FY 2023.

- In August 2022, the City adopted a property tax increase of 5.0%. The increase was expected to generate approximately \$920,00 in additional on-going property tax revenue. Property tax realized an actual increase of \$1,193,856 (6.2%) from a combination of the tax increase and new growth from development which added to the tax base.
- Franchise tax for the current fiscal year increased by 14.8% for a combination of factors - energy sales increased due to weather conditions and electric and natural gas rates increased.
- The General Fund received \$10 million in federal funding from the American Rescue Plan Act of 2021 (ARPA) in the previous fiscal year. This funding was considered one-time revenue by the City and transferred to the Capital Improvement Projects Fund in FY 2023.



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**FUND ANALYSIS (continued)**

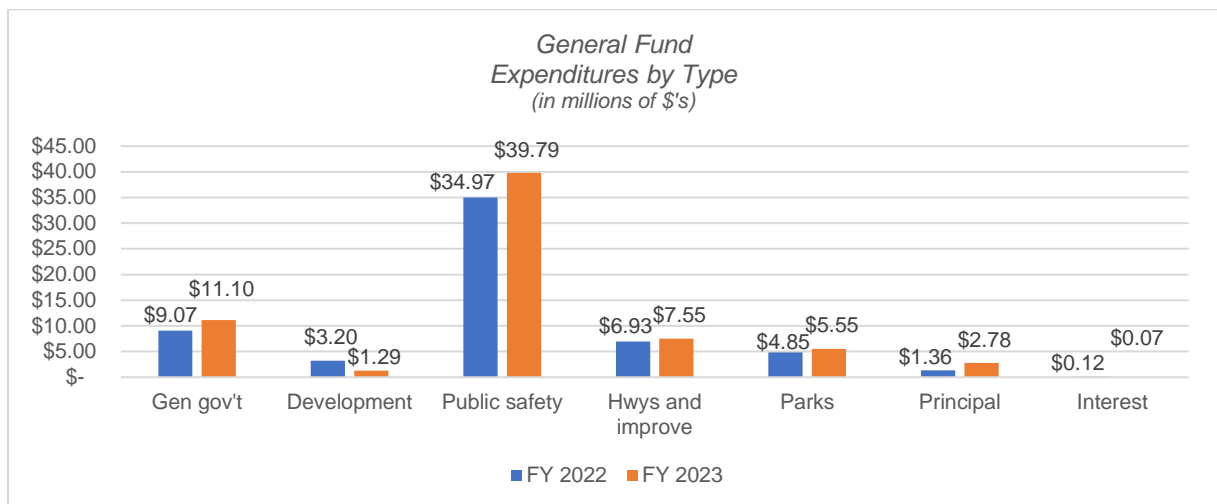
A. Governmental Funds (continued)

**General Fund (continued)**

*General Fund Expenditures*

General fund expenditures increased by \$7,614,944 (12.6%) to \$68,112,678 in the current year from \$60,497,734 in the prior year. The majority of this increase is related to one-time costs outlined below (\$5,690,000), with the remaining amount related to on-going costs (\$1,924,944) due to inflation.

- In FY 2023, the City elected to redeem in full the Series 2015 Sales Tax Revenue bonds which increased debt service by \$1,440,000 over the expected principal payments. These bonds were scheduled for annual payments through FY 2025 prior to redemption. This was a one-time payment.
- The City elected to contribute \$2.25 million to the IT Management Fund from the General Fund to support the efforts to redesign the City’s network infrastructure. This contribution was reported as a general government expenditure in FY 2023. This was a one-time additional contribution.
- The City elected to contribute an additional \$2.25 million to the Benefits Management Fund from the General Fund in FY 2023 to build a financial reserve to stabilize medical premium increases and potential high claim years. The City became self-insured for its medical plan as of July 1, 2022. This cost was spread out between departments based on their participation in the medical plan. This was a one-time additional contribution.
- As discussed in the Government-wide Financial Statement Analysis, the City enhanced the compensation plan to remain competitive with other government agencies in both FY 2022 and FY 2023. In FY 2023, these compensation adjustments in public safety resulted in a \$2.0 million increase for police services and a \$850,000 increase for the fire services from the previous fiscal year.
- Community development reported a decrease in expenditures as revenue as well as expenditures related to new development were transferred to the Development Services Fund.



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**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**General Fund (continued)**

*General Fund Transfers*

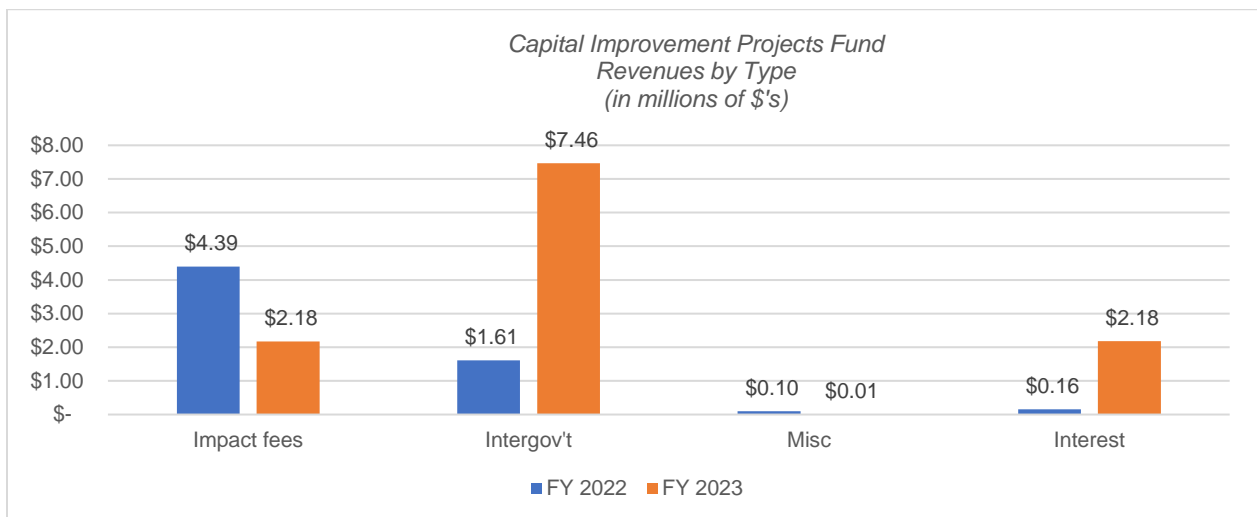
The City transferred \$2.34 million from the proprietary funds to the General Fund. Municipalities in Utah receive a 6% franchise fee from utilities other than those operated by the municipality in exchange for the use of the municipality’s property for the delivery of those services. In FY 2023, the 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 \$15.0 million from the General Fund to the Capital Improvement Projects fund for improvement and maintenance projects. This transfer was sourced as \$2.34 million from the transfer in from the proprietary funds, \$1.2 million from the property tax increase and new growth, \$1.0 million from franchise tax which is the estimated amount in excess of the City’s normal pattern of growth for this revenue source, approximately \$1.0 million of operational savings. The additional amount transferred was a decision to decrease reserve balances based on projected needs and fiscal sustainability.

**Capital Improvement Projects Fund**

The Capital Improvement Projects Fund’s (CIP) ending balance increased by \$8,973,341 to a total of \$62,233,417 in FY 2023.

In FY 2023, the CIP fund reported an increase (99.7%) in revenue due to expanded collaboration with other government agencies on a large bridge project, and the interest rates for investments continued to rise. Impact fee revenue decreased by -50.5% as changes in the national economy slowed development.



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**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

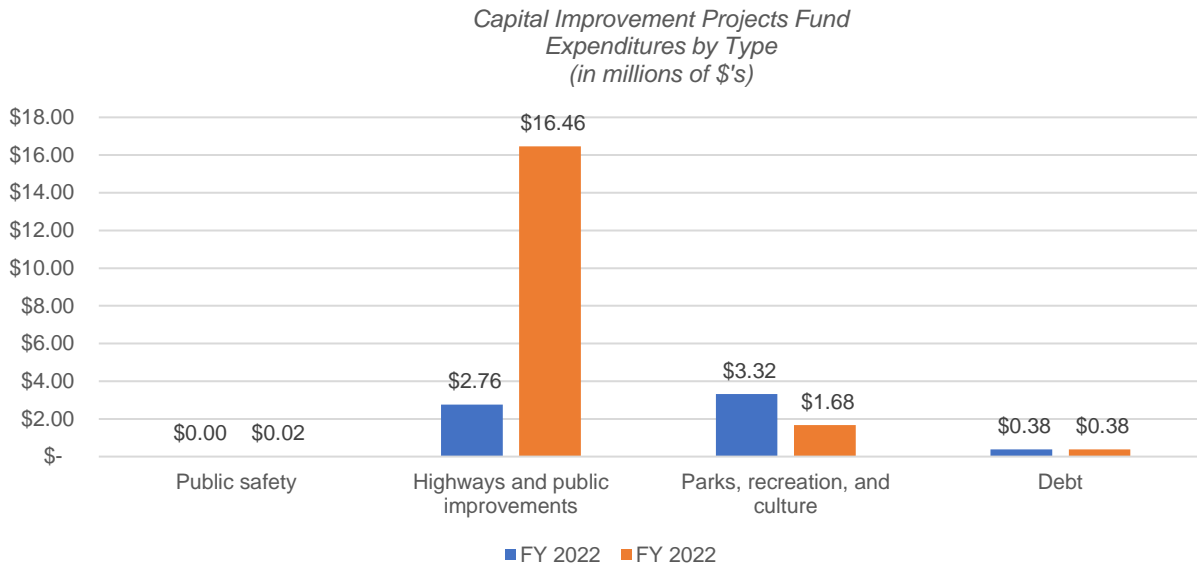
**Capital Improvement Projects Fund (continued)**

Expenditures in FY 2023 increased by \$12,082,938 (187.1%) as several large projects completed design and began construction.

- *Highways and public improvements.* The City continued work on two (2) large projects in this reporting category - an \$18 million bridge project at 8600 South and Mountain View Corridor, and the City Hall remodel. In FY 2023, the City spent \$7.63 million on the bridge project and \$7.7 million on the remodel project. Both are anticipated to reach completion in FY 2024.

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) with expenditures increasing to \$632,523 from the previous year's amount of \$224,018. The City invested in other projects such as the new Ron Wood Wheels Park and miscellaneous aesthetic and park improvements in the amount of \$1,005,755. The decrease in expenditures from the prior year is related to the completion of a large park project (Maples Hills Park) in early FY 2023.



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**FUND ANALYSIS (continued)**

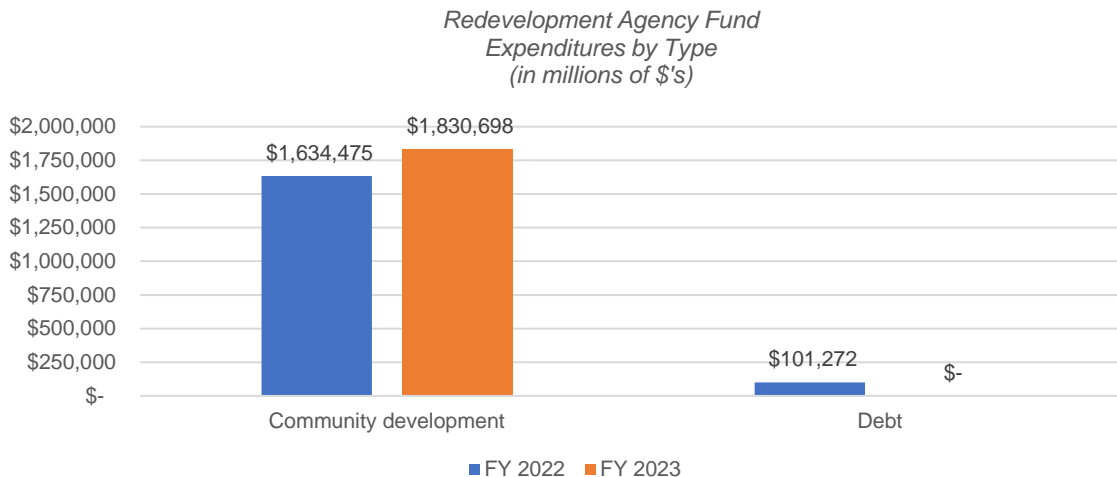
A. Governmental Funds (continued)

**Redevelopment Agency Fund**

The RDA fund balance increased \$2,903,280 to a total of \$13,818,522.

During fiscal year 2023, property tax collections from redevelopment areas decreased -9.7% percent to a total of \$3,750,574 from \$4,154,654 in FY 2022. This change is the result of one of the areas receiving its final collection year in FY 2022.

Expenditures in the form of incentive rebates increased by 2.1% (\$196,223) as milestones and performance measures were met by the developments.



**Other Non-major Governmental Funds**

*Class C Roads Fund*

The Class C Roads fund balance ended the year at \$3,819,824 from \$4,487,123 in FY 2022. The purpose of this fund is to account for the activities of state-allocated Class C roads revenue and the expenditures related to the maintenance and improvements of these roads.

Revenues for this fund increased to \$5,022,051 from \$4,708,843 in FY 2022. This was expected as the source for these funds is a fuel tax per gallon sold. According to the U.S. Energy Information Administration, the price per gallon decreased to an average of \$3.86 per gallon in June 2023 from an average price of \$5.10 per gallon in June 2022. The result of this sort of decrease on consumer behavior is significant resulting in increased sales.

Expenditures in the current fiscal year increased to \$5,689,350 from \$3,601,154 in FY 2022 as the City placed a stronger focus on road maintenance work and supplies were available.

(continued on next page)

**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**Other Non-major Governmental Funds**

*Community Development Block Grant*

The purpose of this fund is to account for the activities of the federally funded community development block grant. Seventy-two percent (65.3%) of reserves in this fund are from long-term receivables for the housing rehabilitation and low-income housing downpayment assistance programs.

The Community Development Block Grant fund balance ended the year at \$486,302. This fund reports \$317,575 in the form of a long-term receivable and \$244,736 in current receivables (as discussed above).

Normally, 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 \$17,872 (2.2%) to \$846,122 from \$828,250 in the prior year, and expenditures increased \$335,706 (41.2%) to \$1,151,461 from \$815,755. The differential change between revenue and expense is related to an internal audit of the housing rehabilitation and downpayment assistance program receivables which identified receivables in the amount of \$290,071 which were no longer collectible. This amount was recorded as an expenditure in FY 2023 and the receivable balance was adjusted.

*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 second 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 \$301,481 plus \$65,000 in the form of a contribution from the General Fund. Revenues in FY2022 were \$182,453 plus \$62,400 in the form of a contribution from the General Fund.

Expenditures increased to \$321,133 from \$242,201 in the prior year. The increase is attributable to an increased focus on landscaping maintenance and improvements to the area.

While the District has a minimal reserve, the revenues are sustaining the service levels.

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**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**Other Non-major Governmental Funds (continued)**

*Development Services Fund*

The Development Services Fund is used to account for the activities that support new development. The revenue for this fund is generated by permitting and development review fees as well as building inspection fees. These funds are dedicated to support the cost of the planning department, building department, and other indirect services such as engineering, finance, legal, legislative (city council), and executive (mayor) services.

The purpose of these special revenue funds is to provide greater transparency of the revenue generated and the associated expenditures. Reserves are assigned to be used as a financial resource to maintain professional staffing levels when development demand changes in response to short-term economic changes.

Revenues and expenditures were reported in the General Fund in FY 2022. As discussed in the Government-wide Financial Analysis section, expenditures related to community development increased in FY 2023 as administrative and other direct costs were reported under this category instead of general government.

For comparative purposes, permits and charges for services related to development activity increased 25% from the prior year as several large industrial project permits were issued in FY 2023.

The allocation of indirect costs in FY 2023 was \$2,072,755. Direct costs increased 8% (\$242,547) from FY 2022.

*Municipal Building Authority Fund*



The Municipal Building Authority's fund balance ended the year at \$1,774,295 from \$1,716,701 in FY 2022. 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 were 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.

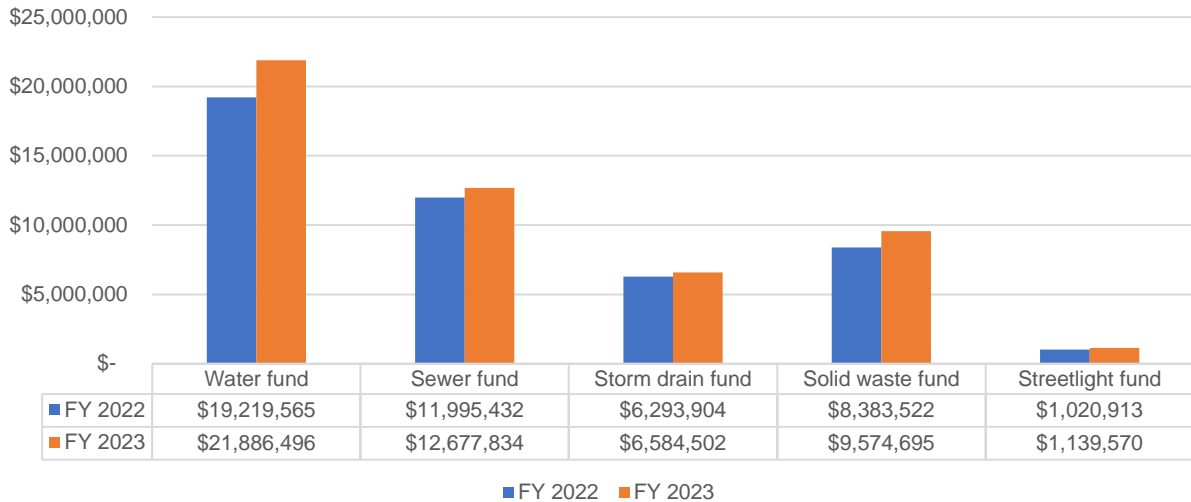
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**FUND ANALYSIS (continued)**

**B. Proprietary Funds**

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

*Unrestricted Net Position  
 Year to Year Comparison*



**Water Fund**

The water fund's unrestricted net position increased this fiscal year by \$2,666,931 to a total of \$21,886,496, which was approximately 78.6% of the current fiscal year's revenues. In the previous fiscal year, the water fund had an unrestricted net position of \$19,219,565. 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 2023, revenue increased by \$584,962 (2.1%) from the previous year as a result of a 2% rate increase which became effective October 1, 2022. That said, customers consumed 4.6% less water than the previous fiscal year.

Operating expenses increased by \$3,961,267 (19.8%) from the previous year. Increases include the investment of \$1.6 million more in a city-wide metering system conversion, a \$1.1 million increase in the cost to purchase water, and other inflationary increases for equipment and supplies.

The water fund transferred out \$1,364,675 to the General Fund which represented 5% of certain charges for service and equal to the amount approved in the FY 2023 budget.

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**FUND ANALYSIS (continued)**

B. Proprietary Funds (continued)

**Sewer Fund**

The sewer fund's unrestricted net position increased by \$682,402 to a total of \$12,677,834 which is approximately 88.2% 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 \$679,259 (5.0%) 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 a 2% rate increase effective October 1, 2022.

Operating expenses increased by \$672,217 (5.8%) from the previous fiscal year as the cost of sewer treatment increased.

The sewer fund also transferred out \$700,000 to the general fund which represented 5.0% of certain charges for service and equal to the amount approved in the FY 2023 budget.

**Storm Water Fund**

The storm water fund's unrestricted net position increased by \$290,598 from the previous fiscal year to a total of \$6,584,502. 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 \$491,793 (11.1%) over the previous year which is the result of a 5% storm water rate increase effective October 1, 2022, as well as new growth and continued geographic auditing of the fee assessment of this utility.

Operating expenses increased by \$195,333 (4.4%) from general inflationary factors.

The storm water fund also transferred out \$234,990 to the General Fund which represented 5.0% of certain charges for service as well as the amount approved in the FY 2023 budget.

**Solid Waste Fund**

Collection fee revenue increased by \$285,657 (4.6%) over the previous year which is the result of a 1.0% rate increase effective October 1, 2022, and some new growth.



Operating expenses increased by \$307,141 (5.3%) 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 net position less the value of the investment in joint venture is equal to approximately 2.25 months of revenue, or 19%.

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## FUND ANALYSIS (continued)

### B. Proprietary Funds (continued)

#### Streetlight Fund

Revenues increased by \$93,799, or 11.3% over the previous year which was the result of growth and continual auditing of the application of this utility fee.

Operating expenses decreased by -\$39,872, or -4.8% from the previous year as supply chain issues for materials slowed progress on the City's efforts to add new streetlights. The initiative to install more energy efficient options has begun to show savings as the cost of power for the streetlight network has decreased for the past three fiscal years in spite of an increased number of lights. This work will continue. The cost of power was \$141,695 in FY 2021, \$122,989 in FY 2022, and \$101,644 in FY 2023.

The streetlight fund also transferred out \$39,000 to the General Fund which represented 5.0% of the charges for service and the amount approved in the FY 2023 budget.

The net position is equal to approximately one year and three months' revenue.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, general fund budgeted revenues and transfers in were amended from \$64,151,801 to \$70,495,301 (9.9% difference).

- \$4,655,000 for changes in sales tax revenue estimates; and
- \$440,000 for changes in franchise tax revenue estimates; and
- \$400,000 for changes in license and permit revenue estimates; and
- \$273,500 for changes in intergovernmental revenue estimates due to a change in the student resource officer contract with Jordan School District, as well as other grants acquired during the fiscal year; and
- \$225,000 for changes in charges for services revenue estimates; and
- \$350,000 for changes in investment income revenue estimates due to higher interest rates.

General fund budgeted expenditures and transfers out were amended from an original budget total of \$66,529,682 to a final budget total of \$87,996,423 (32.3% difference). All departments monitor their budgets closely and are required to stay within their allotment.

- \$15,000,000 increased transfer to the CIP Fund from prior year one-time revenues held in reserves and current year one-time revenues (sales tax growth greater than 5%, property tax revenue, etc).
- \$2,250,000 contribution to the Benefits Management Fund to build a financial reserve. This is a one-time expenditure that is shared by all the reporting categories based on employee participation in the medical plan.

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### GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

- \$2,250,000 contribution to the IT Management Fund for the recovery and redesign of the City's network infrastructure. This is a one-time expenditure.
- \$703,575 in changes to personnel costs excluding the additional benefit contribution referenced above.
- \$500,000 of additional contribution to the Fleet Management Fund for the replacement of public safety vehicles.
- \$578,166 of operational cost increases.
- \$185,000 for additional road salt.

#### *Budget to Actual Comparison*

During the year, actual revenues including transfers in were greater than budgeted by \$3,132,194 (4.4%). 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:

- \$890,668 (2.7%) in increased sales tax revenue from the effects of inflation; and
- \$686,298 (3.5%) in increased property tax revenue as new development became assessed; and
- \$1,031,413 (12.3%) increase in franchise tax revenue from the inflationary cost increases of electricity and natural gas sold to residents; and
- \$262,886 (9.1%) increase in ambulance revenue as demands for service increased in a post-pandemic environment; and
- \$311,670 (77.9%) increase in interest income as the city had higher cash balances and interest rates increased over the year.
- Other changes were immaterial.

Actual expenditures including transfers out were less than budgeted by -\$4,487,113 (-5.1%). Savings were consistently related to personnel savings from turnover and normal operational savings unless specifically noted below.

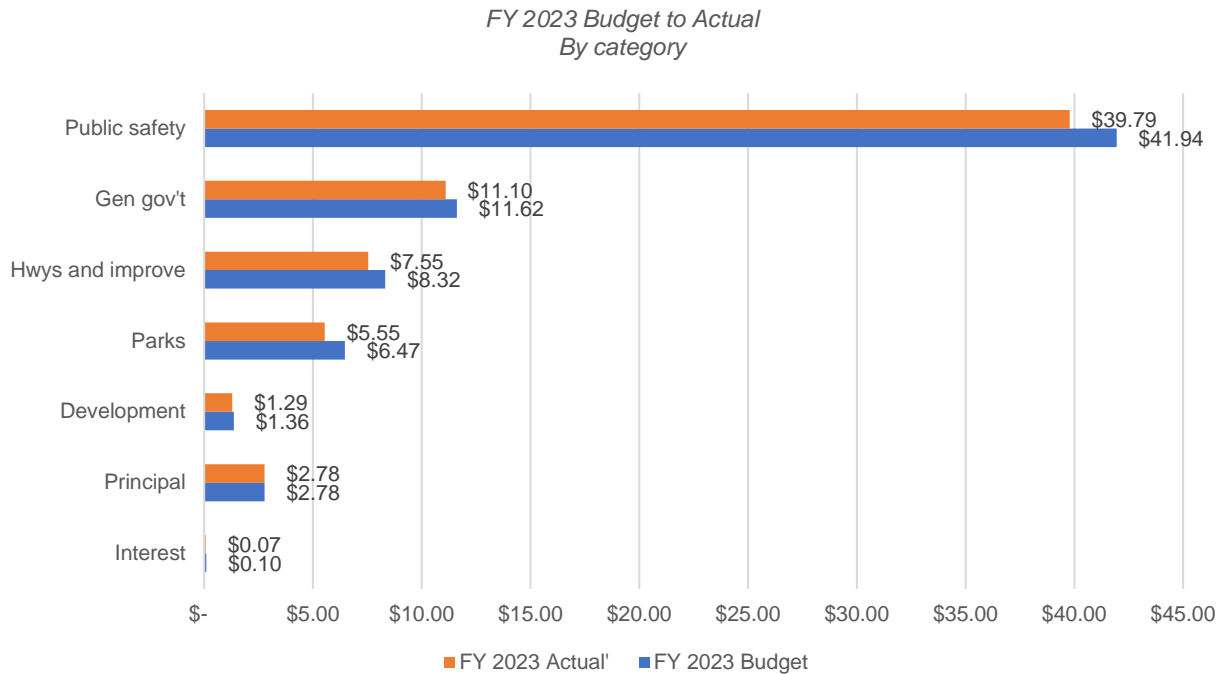
- General government – \$514,814 savings (-4.4%).
- Public safety - \$2.16 million savings (-5.4%).
- Highways and public improvements - \$773,130 savings (-9.3%). Approximately \$422,500 of the difference was savings from budgeted outsourced services (\$125,000) and other operational savings (\$297,500). The remaining difference is related to personnel savings from vacancies.

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**GENERAL FUND BUDGETARY HIGHLIGHTS (continued)**

- Parks, recreation, and culture - \$922,895 savings (14.4%). \$250,000 of this savings was for equipment and supplies that were not available due to continued challenges with supply chain shortages specifically for small equipment.
- Other changes were immaterial.



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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, 2023, amounts to \$576,568,530 after the prior period adjustment is applied retroactively. This investment in capital assets includes land, buildings, infrastructure, equipment, intangible right-to-use (leased equipment, water shares and capacity rights), subscription-based agreements, and construction in progress less accumulated depreciation, accumulated amortization, and outstanding debt. 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 \$16,608,737 (3.0%).

	Governmental activities		Business-type activities		Total	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
Land	\$ 170,864,947	\$ 171,024,120	\$ 7,485,662	\$ 7,485,662	\$ 178,350,609	\$ 178,509,782
Construction in progress	10,597,906	25,188,369	11,700,315	9,161,579	22,298,221	34,349,948
Buildings	57,030,113	57,030,113	321,357	321,357	57,351,470	57,351,470
Infrastructure	317,893,677	326,602,554	292,274,003	310,149,915	610,167,680	636,752,469
Equipment	29,050,575	30,568,499	678,217	257,490	29,728,792	30,825,989
Subscription-based agreement	-	1,976,982	-	-	-	1,976,982
Intangible right-to-use	1,349,736	976,264	28,802,649	30,083,604	30,152,385	31,059,868
Total	\$ 586,786,954	\$ 613,366,901	\$ 341,262,203	\$ 357,459,607	\$ 928,049,157	\$ 970,826,508

During the year, the City spent \$34,232,539 on assets (excluding donated assets).

Major capital asset events during the fiscal year 2023 include:

- \$7,678,929 for the construction of new roads, including the 8600 South bridge at Mountain View Corridor.
- \$1,338,030 for the construction of park improvements, specifically the Big Bend project, completion of Maple Hills park, and beginning of construction on the Ron Wood Wheels Park.
- \$7,759,672 for the construction of facilities and building improvements, specifically the remodel of City Hall and the replacement of HVAC infrastructure at the Justice Center and Senior Center.
- The purchase or agreement to lease of \$3,366,121 in vehicles and equipment in the fleet fund.
- The initiation of two (2) subscription-based agreements for police vehicle and body cameras and the evidence storage system in the amount of \$1,976,982.
- \$7,452,751 for the partial completion of two 3-million-gallon water storage tanks, the completion of a 4-million-gallon tank, the purchase of a new water distribution line, as well as other system improvements.
- \$4,145,579 for the partial completion of a large sewer line expansion to support new development.
- \$514,475 of storm drain improvements.
- The acceptance of \$10,005,512 in developer-contributed assets including roads, land under roads, sidewalks, parkstrips, water lines, sewer lines, 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.

**LONG-TERM LIABILITIES**

As of June 30, 2023, the City had \$43,309,604 in outstanding long-term liabilities.

	Governmental activities		Business-type activities		Total	
	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023
General obligation bonds	\$ 1,440,000	\$ 730,000	\$ -	\$ -	\$ 1,440,000	\$ 730,000
Revenue bonds	22,840,000	20,185,000	7,970,000	6,540,000	30,810,000	26,725,000
Unamortized bond premiums	1,082,669	899,510	968,226	752,037	2,050,895	1,651,547
Unamortized discounts/loss	(78,050)	(71,664)	-	-	(78,050)	(71,664)
Leases	1,281,725	1,005,392	-	-	1,281,725	1,005,392
Subscription agreements	-	1,578,381	-	-	-	1,578,381
Compensated absences	3,543,146	3,911,969	163,341	185,630	3,706,487	4,097,599
	<u>\$ 30,109,490</u>	<u>\$ 28,238,588</u>	<u>\$ 9,101,567</u>	<u>\$ 7,477,667</u>	<u>\$ 39,211,057</u>	<u>\$ 35,716,255</u>

The City's total long-term liabilities decreased by -\$3,494,802 in FY 2023. The net change is a result of the following activity:

- The City elected an early redemption of revenue bonds reducing debt in the amount of \$1,400,000.
- In FY 2023, the City reduced debt through normally scheduled debt service payments of \$3,965,000.
- The effect of implementing GASB 96 in FY 2023 resulted in an increase of liabilities in the amount of \$1,578,381 for subscription-based information systems.
- Lease payments in FY 2023 reduced lease debt in the amount of \$1,298,477.
- New equipment leases in the amount of \$560,858 were issued in FY 2023.
- Increases in compensated absences in the amount of \$839,111.
- A decrease in the amortization of discounts, premiums, and refunding cost in the amount of \$223,059 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 percentage, a maximum of 4% may be used for general purposes. The current limitation for the City is \$775,400,902, 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 \$1,550,801,804 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 2023 was 2.7% as compared to 2.5% of the previous year. The national unemployment rate was 3.6% as of June 2023 as compared to 3.6% in the previous year.

According to the U.S. Bureau of Labor Statistics, in June 2023 the consumer price index (CPI) in the mountain-west region was up 3.5% from a year ago, while the CPI for the nation rose 3.3% for that same period.

Statewide sales tax revenue increased by 2.5% in FY 2023 as compared to 12.9% growth in the previous fiscal year as consumer confidence began to decrease with the increase in interest rates related to debt.



**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 2024 to the report year (FY 2023) for use in understanding the narrative below.

	GENERAL FUND		
	FY 2023 Actual	FY 2024 Budget	Difference
<u>Revenue</u>			
Sales tax	\$ 33,600,667	\$ 31,195,502	-7.2%
Property tax	20,522,134	20,037,960	-2.4%
Franchise tax	9,386,413	9,716,000	3.5%
Licenses and permits	1,074,249	1,274,500	18.6%
Intergovernmental	986,749	1,101,300	11.6%
Charges for services	3,192,984	3,210,000	0.5%
Fines and forfeitures	1,100,995	1,100,000	-0.1%
Miscellaneous	712,968	804,550	12.8%
Investment income	711,670	-	-100.0%
Total revenues	71,288,829	68,439,812	-4.0%
<u>Expenditures</u>			
General government	11,100,417	8,751,076	-21.2%
Community development	1,289,429	904,484	-29.9%
Public safety	39,785,208	43,853,273	10.2%
Highways and public improvements	7,545,056	5,714,467	-24.3%
Parks, recreation, and culture	5,546,698	8,618,760	55.4%
Debt service:			
Principal	2,775,000	1,597,748	-42.4%
Interest and fiscal charges	70,870	44,583	-37.1%
Total expenditures	68,112,678	69,484,391	2.0%
Excess (deficiency) of revenues over (under) expenditures	3,176,152	(1,044,579)	
<u>Other financing sources (uses)</u>			
Sale of capital assets	24,233	-	-100.0%
Transfers in	2,338,665	2,386,300	2.0%
Transfers out	(15,396,632)	(1,341,721)	-91.3%
Total other financing sources (uses)	(13,033,734)	1,044,579	-108.0%
Net change of fund balance	(9,857,582)	\$ -	

## NEXT YEAR'S BUDGETS AND RATES (continued)

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

*Wages.* The FY 2024 Budget includes an adjustment to market based on a full compensation study comparing the City's wages to direct competition in other government agencies including adjacent municipalities and special districts. In addition, the budget includes a 4% cost of living adjustment to address the effects of hyper-inflation.

*Personnel.* In addition, the FY 2024 Budget includes the addition of 6 new full-time employees (FTE's) with 3 FTE's in general government, and 3 FTE's in parks, recreation, and culture.

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

*Sales Tax Revenue Estimates.* Sales tax revenue was budgeted based on a reduction of 5% from actual collections in the previous fiscal year (FY 2023).

*Property Tax.* The FY 2024 budget includes a property tax rate increase of 5.0% (\$918,251).

*Intergovernmental Revenue.* The FY 2024 budget removes any expectation of any federal or state grants in the General Fund.

*Transfers In.* The FY 2024 budget includes a transfer in amount of \$2,386,300 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 2024 budget includes the following changes to utility rates.

- Sewer Fund – 7% rate increase effective October 1, 2023
- Solid Waste Fund – 13.5% rate increase effective October 1, 2023
- Streetlight Fund – 62% rate increase effective October 1, 2023

## 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:

Danyce Steck, CPFO  
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, 2023**



## **Government-Wide Financial Statements**

**STATEMENT OF NET POSITION**

	FY23 Governmental Activities	FY23 Business-type Activities	FY23 Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 76,601,962	\$ 37,541,134	\$ 114,143,096
Accounts receivable (net of allowance)	1,757,291	7,614,299	9,371,590
Due from other funds	939,700	(939,700)	-
Due from other governments	29,867,496	-	29,867,496
Internal balances	(1,001,358)	1,001,358	-
Inventory	-	3,679,133	3,679,133
Prepaid items	1,154,031	5,034	1,159,065
Restricted cash	48,129,547	18,243,840	66,373,387
<b>Total current assets</b>	<b>157,448,669</b>	<b>67,145,098</b>	<b>224,593,767</b>
<b>Noncurrent assets</b>			
Due from other funds	7,517,598	\\$(7,517,598)	-
Investments in joint ventures	-	8,327,809	8,327,809
Notes receivable	317,575	-	317,575
Pension asset	6,456,693	531,064	6,987,757
<b>Capital assets</b>			
Land	171,024,120	7,485,662	178,509,782
Construction in progress	25,188,369	9,161,579	34,349,948
Buildings	57,030,113	321,357	57,351,470
Infrastructure	326,602,554	310,149,915	636,752,469
Equipment	30,568,499	257,490	30,825,989
Subscription-based agreements	1,976,982	-	1,976,982
Intangible right-to-use	976,264	30,083,604	31,059,868
Accumulated depreciation and amortization	(236,982,099)	(104,315,428)	(341,297,527)
<b>Total noncurrent assets</b>	<b>390,676,668</b>	<b>254,485,454</b>	<b>645,162,122</b>
<b>Total assets</b>	<b>548,125,337</b>	<b>321,630,552</b>	<b>869,755,889</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	46,285	-	46,285
Deferred pension costs	9,926,457	816,452	10,742,909
<b>Total deferred outflows of resources</b>	<b>9,972,742</b>	<b>816,452</b>	<b>10,789,194</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	7,619,816	4,561,822	12,181,638
Accrued liabilities	2,798,537	180,350	2,978,887
Bonds payable	1,965,000	1,430,000	3,395,000
Leases payable	594,205	-	594,205
Subscriptions payable	166,591	-	166,591
Compensated absences	3,332,673	151,166	3,483,839
Customer deposits	-	2,908	2,908
Interest payable	-	18,931	18,931
Unearned revenue	-	352,917	352,917
<b>Liabilities from restricted assets:</b>			
Accounts payable	4,741,638	2,715,106	7,456,744
Customer deposits	6,419,621	-	6,419,621
Interest payable	309,734	13,590	323,324
Unearned revenue	10,592,593	1,461,439	12,054,032
<b>Total current liabilities</b>	<b>38,540,408</b>	<b>10,888,229</b>	<b>49,428,637</b>

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION**

	Governmental Activities	Business-type Activities	Total
<u>LIABILITIES (continued)</u>			
Noncurrent liabilities			
Bonds payable	21,742,846	7,292,037	29,034,883
Leases payable	1,005,392	-	1,005,392
Subscriptions payable	1,578,381	-	1,578,381
Compensated absences	3,911,969	185,630	4,097,599
Net pension payable	5,487,650	451,361	5,939,011
Total noncurrent liabilities	<u>33,726,238</u>	<u>7,929,028</u>	<u>41,655,266</u>
Total liabilities	<u>72,266,646</u>	<u>18,817,257</u>	<u>91,083,903</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred pension gains	716,729	58,951	775,680
Deferred property taxes	20,749,526	-	20,749,526
Total deferred Inflows of resources	<u>21,466,255</u>	<u>58,951</u>	<u>21,525,206</u>
<u>NET POSITION</u>			
Net investment in capital assets	343,354,313	233,214,217	576,568,530
Restricted			
Capital	31,867,263	17,245,659	49,112,922
Debt service	3,331	246,464	249,795
Other purposes	561,867	-	561,867
Unrestricted	<u>88,578,404</u>	<u>52,864,456</u>	<u>141,442,860</u>
Total net position	<u>\$ 464,365,178</u>	<u>\$ 303,570,796</u>	<u>\$ 767,935,974</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
<b>Governmental activities</b>							
General government	\$ 9,742,778	\$ 3,276,913	\$ -	\$ -	\$ (6,465,865)	\$ -	\$ (6,465,865)
Community development	7,959,047	6,745,160	846,122	-	(367,765)	-	(367,765)
Public safety	37,650,295	2,856,514	2,004,523	-	(32,789,258)	-	(32,789,258)
Highways and public improvements	20,771,763	1,658,126	4,919,382	12,166,240	(2,028,015)	-	(2,028,015)
Parks, recreation, and culture	7,515,562	983,339	-	582,524	(5,949,699)	-	(5,949,699)
Debt service - interest and fiscal charges	927,315	-	-	-	(927,315)	-	(927,315)
Total governmental activities	<u>84,566,760</u>	<u>15,520,052</u>	<u>7,770,027</u>	<u>12,748,764</u>	<u>(48,527,917)</u>	<u>-</u>	<u>(48,527,917)</u>
<b>Business-type activities</b>							
Water	23,846,337	28,314,726	-	4,498,807	-	8,967,196	8,967,196
Wastewater	12,354,147	14,796,457	-	4,370,632	-	6,812,942	6,812,942
Solid waste	5,340,668	6,545,585	-	-	-	1,204,917	1,204,917
Storm water	4,453,078	7,791,457	-	1,456,976	-	4,795,355	4,795,355
Streetlight	797,831	921,468	-	-	-	123,637	123,637
Total business-type activities	<u>\$ 46,792,061</u>	<u>\$ 58,369,693</u>	<u>\$ -</u>	<u>\$ 10,326,415</u>	<u>\$ -</u>	<u>\$ 21,904,047</u>	<u>\$ 21,904,047</u>
		General Revenues:					
					\$ 33,600,667	\$ -	\$ 33,600,667
					20,532,986	-	20,532,986
					3,750,574	-	3,750,574
					9,386,413	-	9,386,413
					3,789,082	2,013,195	5,802,277
					24,233	-	24,233
					730,975	-	730,975
					2,338,665	(2,338,665)	-
					<u>74,153,595</u>	<u>(325,470)</u>	<u>73,828,125</u>
					25,625,678	21,578,577	47,204,255
					438,739,500	286,074,503	724,814,003
					-	(4,082,284)	(4,082,284)
					<u>\$ 464,365,178</u>	<u>\$ 303,570,796</u>	<u>\$ 767,935,974</u>

The accompanying notes are an integral part of this statement.

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

### General Fund

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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

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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

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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

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The Class C Roads Fund, Community Development Block Grant Fund, Development Services Fund, Fairway Estates Fund, Grants Fund, Highlands Special Improvement District Fund, Kraftmaid Special Improvement District Fund, and Municipal Building Authority 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
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,825,063	\$ 18,310,159	\$ 29,322,130	\$ 7,275,439	\$ 63,732,791
Accounts receivable (net of allowance)	1,087,623	-	582,524	384,653	2,054,800
Due from other governments	27,759,091	701,433	-	1,406,972	29,867,496
Due from other funds	4,490,500	(4,490,500)	8,457,298	-	8,457,298
Prepaid items	214,485	-	358,293	1,591	574,369
Restricted cash	7,024,606	-	40,967,440	137,501	48,129,547
Total assets	49,401,368	14,521,092	79,687,685	9,206,156	152,816,301
<b>LIABILITIES</b>					
Accounts payable	1,627,332	1,137	2,673,593	1,144,815	5,446,877
Accrued liabilities	1,813,978	-	-	77,783	1,891,761
Liabilities from restricted assets:					
Accounts payable	-	-	4,741,638	-	4,741,638
Deposits	6,419,621	-	-	-	6,419,621
Unearned revenue	553,556	-	10,039,037	-	10,592,593
Total liabilities	10,414,487	1,137	17,454,268	1,222,598	29,092,490
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	20,037,960	701,433	-	10,133	20,749,526
Deferred ambulance billings	489,710	-	-	-	489,710
Deferred other	202,581	-	-	-	202,581
Total deferred Inflows of resources	20,730,251	701,433	-	10,133	21,441,817
<b>FUND BALANCE</b>					
Nonspendable	214,485	-	358,293	1,591	574,369
Restricted	51,429	-	26,186,765	454,234	26,692,428
Assigned	-	13,818,522	35,688,359	7,517,600	57,024,481
Unassigned	17,990,716	-	-	-	17,990,716
Total fund balances	18,256,630	13,818,522	62,233,417	7,973,425	102,281,994
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 49,401,368	\$ 14,521,092	\$ 79,687,685	\$ 9,206,156	\$ 152,816,301

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	\$ 102,281,994
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	363,357,381
Long-term liabilities, including bonds payable, leases payable, notes, interest payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(30,996,595)
Deferred outflows relating to the loss on refunding of debt is not a current available resource and therefore is not included in the funds.	46,286
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.	9,873,312
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.	(309,067)
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.	20,111,867
Net Position - Governmental Activities	<u>\$ 464,365,178</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
<b>REVENUES</b>					
Sales tax	\$ 33,600,667	\$ -	\$ -	\$ -	\$ 33,600,667
Property tax	20,522,134	-	-	10,852	20,532,986
Tax increment	-	3,750,574	-	-	3,750,574
Franchise tax	9,386,413	-	-	-	9,386,413
Impact fees	-	-	2,175,662	-	2,175,662
Licenses and permits	1,074,249	-	-	4,388,468	5,462,717
Intergovernmental	986,749	-	7,463,857	5,893,697	14,344,303
Charges for services	3,192,984	-	688,133	2,808,895	6,690,012
Fines and forfeitures	1,100,995	-	-	-	1,100,995
Miscellaneous	712,969	-	5,000	13,006	730,975
Investment income	711,670	651,772	2,181,821	243,819	3,789,082
Total revenues	71,288,830	4,402,346	12,514,473	13,358,737	101,564,386
<b>EXPENDITURES</b>					
General government	11,100,417	-	-	-	11,100,417
Community development	1,289,429	1,830,698	-	5,168,752	8,288,879
Public safety	39,785,208	-	17,088	145,178	39,947,474
Highways and public improvements	7,545,056	-	16,460,730	5,872,406	29,878,192
Parks, recreation, and culture	5,546,698	-	1,678,929	332,017	7,557,644
Debt service:					
Principal	2,775,000	-	360,000	845,000	3,980,000
Interest and fiscal charges	70,870	-	24,385	1,010,502	1,105,757
Total expenditures	68,112,678	1,830,698	18,541,132	13,373,855	101,858,363
Excess (deficiency) of revenues over (under) expenditures	3,176,152	2,571,648	(6,026,659)	(15,118)	(293,977)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	24,233	-	-	-	24,233
Transfers in	2,338,665	331,632	15,000,000	65,000	17,735,297
Transfers out	(15,396,632)	-	-	-	(15,396,632)
Total other financing sources (uses)	(13,033,734)	331,632	15,000,000	65,000	2,362,898
Net change of fund balance	(9,857,582)	2,903,280	8,973,341	49,882	2,068,921
Fund balance at beginning of year	28,114,212	10,915,242	53,260,076	7,923,543	100,213,073
Fund balance at end of year	\$ 18,256,630	\$ 13,818,522	\$ 62,233,417	\$ 7,973,425	\$ 102,281,994

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	\$ 2,068,921
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.	12,540,345
Revenue recognized in the government-wide statement of activities that are not in the fund statements.	(788,437)
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	4,158,442
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.	2,321,148
The net revenue of certain activities of the internal service funds are reported with governmental activities.	5,325,259
Change in net position - Governmental activities	<u>\$ 25,625,678</u>

The accompanying notes are an integral part of this statement.



*West Jordan Streets Crew*

## PROPRIETARY FUND FINANCIAL STATEMENTS

### Water Fund

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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

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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

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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

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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

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The Benefits Management Fund, 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.



*West Jordan Electricians*

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS**

	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 17,307,074	\$ 11,711,352	\$ 6,080,696	\$ 2,442,012	\$ 37,541,134	\$ 12,869,171
Accounts receivable (net of allowance)	3,875,962	2,334,701	509,207	894,429	7,614,299	20,066
Inventory	3,679,133	-	-	-	3,679,133	-
Prepaid items	2,297	1,761	976	-	5,034	579,662
Restricted cash	1,648,201	8,809,360	7,786,279	-	18,243,840	-
Total current assets	26,512,667	22,857,174	14,377,158	3,336,441	67,083,440	13,468,899
Noncurrent assets						
Net pension asset	214,037	154,055	140,755	22,217	531,064	193,762
Investments in joint ventures	-	-	-	8,327,809	8,327,809	-
Capital assets						
Land	4,726,043	-	2,759,619	-	7,485,662	-
Construction in progress	6,834,840	2,237,142	89,597	-	9,161,579	1,727,255
Buildings	321,357	-	-	-	321,357	-
Infrastructure	165,092,296	72,128,620	72,928,999	-	310,149,915	-
Equipment	73,826	93,067	90,597	-	257,490	28,815,053
Subscription-based agreements	-	-	-	-	-	1,976,982
Intangible right-to-use	283,731	29,799,873	-	-	30,083,604	976,264
Accumulated depreciation and amortization	(53,850,276)	(26,879,829)	(23,585,323)	-	(104,315,428)	(20,468,133)
Total noncurrent assets	123,695,854	77,532,928	52,424,244	8,350,026	262,003,052	13,221,183
Total assets	150,208,521	100,390,102	66,801,402	11,686,467	329,086,492	26,690,082
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension costs	329,059	236,842	216,395	34,156	816,452	297,888
Total deferred outflows of resources	329,059	236,842	216,395	34,156	816,452	297,888
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	2,746,662	771,759	87,534	955,867	4,561,822	2,172,939
Accrued liabilities	80,309	49,684	42,261	8,096	180,350	906,776
Bonds payable	745,000	-	685,000	-	1,430,000	-
Leases payable	-	-	-	-	-	594,205
Subscriptions payable	-	-	-	-	-	166,591
Compensated absences	69,428	32,459	39,934	9,345	151,166	103,247
Customer deposits	2,908	-	-	-	2,908	-
Due to other funds	380,000	559,700	-	-	939,700	-
Interest payable	18,931	-	-	-	18,931	-
Unearned revenue	352,917	-	-	-	352,917	-

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION (continued)**  
**PROPRIETARY FUNDS**

	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<u>LIABILITIES (continued)</u>						
Liabilities from restricted assets:						
Accounts payable	835,579	1,855,316	24,211	-	2,715,106	-
Interest payable	-	-	13,590	-	13,590	50,624
Unearned revenue	-	1,461,439	-	-	1,461,439	-
Total current liabilities	5,231,734	4,730,357	892,530	973,308	11,827,929	3,994,382
Noncurrent liabilities						
Bonds payable	5,882,037	-	1,410,000	-	7,292,037	-
Leases payable	-	-	-	-	-	1,005,392
Subscriptions payable	-	-	-	-	-	1,578,382
Compensated absences	65,847	49,539	58,543	11,701	185,630	111,756
Due to other funds	3,040,000	4,477,598	-	-	7,517,598	-
Net pension payable	181,914	130,934	119,630	18,883	451,361	164,682
Total noncurrent liabilities	9,169,798	4,658,071	1,588,173	30,584	15,446,626	2,860,212
Total liabilities	14,401,532	9,388,428	2,480,703	1,003,892	27,274,555	6,854,594
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred pension gains	23,759	17,101	15,625	2,466	58,951	21,509
Total deferred Inflows of resources	23,759	17,101	15,625	2,466	58,951	21,509
<u>NET POSITION</u>						
Net investment in capital assets	112,577,270	70,486,260	50,150,688	-	233,214,218	8,613,074
Restricted						
Capital	1,648,201	8,057,321	7,540,137	-	17,245,659	-
Debt service	322	-	246,142	-	246,464	-
Unrestricted	21,886,496	12,677,834	6,584,502	10,714,265	51,863,097	11,498,793
Total net position	\$ 136,112,289	\$ 91,221,415	\$ 64,521,469	\$ 10,714,265	\$ 302,569,438	\$ 20,111,867

The accompanying notes are an integral part of this statement.



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**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	\$ 302,569,438
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	1,001,358
Net Position - Business-type Activities	<u>\$ 303,570,796</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
<b>OPERATING REVENUES</b>						
Charges for services	\$ 27,856,638	\$ 14,366,816	\$ 4,709,023	\$ 7,455,163	\$ 54,387,640	\$ 22,699,673
Other	399	-	210,675	11,890	222,964	11,527
Total operating revenues	27,857,037	14,366,816	4,919,698	7,467,053	54,610,604	22,711,200
<b>OPERATING EXPENSES</b>						
Wages and benefits	2,009,426	1,310,690	1,185,609	214,188	4,719,913	1,940,926
Administrative fees	2,195,791	783,156	783,156	529,331	4,291,434	-
Operations and maintenance	16,586,265	8,828,460	1,257,783	6,158,894	32,831,402	12,665,943
Depreciation and amortization	3,188,716	1,369,269	1,410,782	-	5,968,767	3,223,254
Total operating expenses	23,980,198	12,291,575	4,637,330	6,902,413	47,811,516	17,830,123
Operating income (loss)	3,876,839	2,075,241	282,368	564,640	6,799,088	4,881,077
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	739,384	726,634	472,183	74,994	2,013,195	310,443
Interest and fiscal charges	(238,072)	(280,203)	(50,569)	-	(568,844)	(83,336)
Impact fees	457,689	429,641	2,871,759	-	3,759,089	-
Equity in income of joint venture	-	-	-	709,196	709,196	-
Gain/(loss) on disposal of assets	-	-	-	-	-	217,075
Total nonoperating revenues (expenses)	959,001	876,072	3,293,373	784,190	5,912,636	444,182
Income (loss) before contributions and transfers	4,835,840	2,951,313	3,575,741	1,348,830	12,711,724	5,325,259
Capital contributions	4,498,807	4,370,632	1,456,976	-	10,326,415	-
Transfers out	(1,364,675)	(700,000)	(234,990)	(39,000)	(2,338,665)	-
Change in net position	7,969,972	6,621,945	4,797,727	1,309,830	20,699,474	5,325,259
Total net position, beginning	128,142,317	88,681,754	59,723,742	9,404,435	285,952,248	14,786,608
Prior period adjustment	-	(4,082,284)	-	-	(4,082,284)	-
Total net position, ending	\$ 136,112,289	\$ 91,221,415	\$ 64,521,469	\$ 10,714,265	\$ 302,569,438	\$ 20,111,867

The accompanying notes are an integral part of this statement.





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**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	\$ 20,699,474
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities.	879,103
Change in net position - Business-type activities	<u>\$ 21,578,577</u>

The accompanying notes are an integral part of this statement.



*West Jordan Animal Services Rescue (Oct 2022)*

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 27,088,778	\$ 13,402,394	\$ 4,866,742	\$ 7,282,741	\$ 52,640,655	\$ 22,691,134
Payments to suppliers of goods and services	(20,196,921)	(8,878,530)	(1,588,984)	(5,652,583)	(36,317,018)	(11,391,443)
Payments to employees for services	(2,122,350)	(1,385,449)	(1,231,285)	(224,596)	(4,963,680)	(2,024,679)
Payment for interfund services	(2,195,791)	(783,156)	(783,156)	(529,331)	(4,291,434)	-
Net cash provided (used) by operating activities	2,573,716	2,355,259	1,263,317	876,231	7,068,523	9,275,012
<b>Cash flows from noncapital financing activities</b>						
Transfers to other funds	(1,364,675)	(700,000)	(234,990)	(39,000)	(2,338,665)	-
Changes to interfund receivables and payables	(380,000)	(559,700)	-	-	(939,700)	-
Net cash provided (used) by noncapital financing activities	(1,744,675)	(1,259,700)	(234,990)	(39,000)	(3,278,365)	-
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sale of capital assets	-	-	-	-	-	217,075
Proceeds from capital grants	2,983,551	2,622,259	-	-	5,605,810	-
Purchases of capital assets	(7,315,502)	(4,145,579)	(514,475)	-	(11,975,556)	(5,343,104)
Impact fees	457,689	429,641	2,871,759	-	3,759,089	-
Principal paid on debt	(931,189)	-	(670,000)	-	(1,601,189)	1,007,353
Interest and fiscal charges paid on capital debt	(240,375)	(280,203)	(54,915)	-	(575,493)	(60,263)
Net cash provided (used) by capital and related financing activities	(5,045,826)	(1,373,882)	1,632,369	-	(4,787,339)	(4,178,939)
<b>Cash flows from investing activities</b>						
Investment income	739,384	726,634	472,183	74,994	2,013,195	310,443
Net cash provided by investing activities	739,384	726,634	472,183	74,994	2,013,195	310,443
<b>Net increase (decrease) in cash and cash equivalents</b>						
Cash and cash equivalents - beginning of year	22,432,676	20,072,401	10,734,096	1,529,787	54,768,960	7,462,655
Cash and cash equivalents - end of year	\$ 18,955,275	\$ 20,520,712	\$ 13,866,975	\$ 2,442,012	\$ 55,784,974	\$ 12,869,171

The accompanying notes are an integral part of this statement.



**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUNDS**

	Business-type Activities					Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	\$ 3,876,839	\$ 2,075,241	\$ 282,368	\$ 564,640	\$ 6,799,088	\$ 4,881,077
Adjustments to reconcile operating income to net cash provided by:						
Depreciation and amortization	3,188,716	1,369,269	1,410,782	-	5,968,767	3,223,254
(Increase) decrease in receivables	(768,259)	(964,422)	(52,956)	(184,312)	(1,969,949)	(20,066)
(Increase) decrease in prepaids	(2,297)	(1,761)	(976)	-	(5,034)	(553,331)
(Increase) decrease in inventory	67,494	-	-	-	67,494	-
(Increase) decrease in payables	(978,535)	1,873,292	(323,258)	506,042	1,077,541	1,453,090
(Increase) decrease in liabilities	(2,810,242)	(1,996,360)	(52,643)	(10,139)	(4,869,384)	290,988
Net cash provided by operating activities	\$ 2,573,716	\$ 2,355,259	\$ 1,263,317	\$ 876,231	\$ 7,068,523	\$ 9,275,012
Noncash investing, capital, and financing activities						
Capital contributions, developers	\$ 1,515,256	\$ 1,748,373	\$ 1,456,976	\$ -	\$ 4,720,605	\$ -

The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**



*West Jordan Mayor Dirk Burton (2020-current)*

## 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’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 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, 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, 2023 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.

*Intangible right-to-use assets.* 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 intangible right-to-use equipment is capitalized with the exception of equipment under a contract with a time period of under 12 months. Intangible right-to-use 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 30<sup>th</sup> 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, Leases, and Software Subscriptions**

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)

**Long-term Obligations, Leases, and Software Subscriptions (continued)**

The City recognizes a lease payable and an intangible right-to-use lease asset or subscription asset in the government-wide financial statements for individual values of \$5,000. At the commencement of a lease, the City measures the lease payable at the present value of payments expected payments to be made during the lease term. Subsequently, the lease payable is reduced by the principal amount of the lease payments. The intangible right-to-use lease asset is measured at the initial amount of the lease payment, adjusted for lease payments made at or before the lease commencement date, plus initial direct costs. The asset is amortized over the shorter of its useful life or the lease term.

**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 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.

**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)**

*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.

*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 2023, the minimum balance is \$3,564,442 and the maximum balance is \$24,951,091.

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.

**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 30<sup>th</sup>, the Council reviews and adjusts the Mayor's proposed budget. On or before June 30<sup>th</sup>, 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	\$579,871,346
Accumulated depreciation	<u>(216,513,965)</u>
Total difference	<u>\$ 363,357,381</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	\$ (22,880,000)
Compensated absences	(7,029,639)
Bond premium, discount, or refunding cost (to be amortized to interest income)	(827,846)
Accrued interest payable	<u>(259,110)</u>
Total difference	<u>\$ (30,996,595)</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>\$ 46,286</u>
Total difference	<u>\$ 46,286</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	\$ 6,262,931
Deferred pension gains	9,628,569
Net pension liability	(5,322,968)
Deferred pension costs	<u>(695,220)</u>
Total difference	<u>\$ 9,873,312</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	\$ 489,710
Deferred licensing renewal billings	202,581
Internal service fund services to the enterprise funds	<u>(1,001,358)</u>
Total difference	<u>\$ (309,067)</u>

*Internal service funds.* Internal service funds are used by management to charge the costs of fleet management, IT management, the city's self-insurance health plan, 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	\$ 3,097,011
Ending unrestricted net position, IT Management Fund	4,301,823
Ending unrestricted net position, Benefits Management Fund	2,339,408
Ending unrestricted net position, Risk Management Fund	1,760,551
Net investment in capital assets, Fleet Management Fund	8,502,987
Net investment in capital assets, IT Management Fund	<u>110,087</u>
Total difference	<u>\$ 20,111,867</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	\$ 16,776,631
Depreciation expense	(9,521,193)
Developer contributions	<u>5,284,907</u>
Total difference	<u>\$ 12,540,345</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)

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

Change in deferred ambulance billings	\$ 5,235
Change in deferred licensing renewal billings	85,431
Internal service fund services to the enterprise funds	(879,103)
Total difference	<u>\$ (788,437)</u>

*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	\$ 2,440,000
General obligation bond	695,000
Lease revenue bond	845,000
Interest expense	(4,717)
Bond premium amortization	183,159
Total difference	<u>\$ 4,158,442</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	\$ (769,239)
Net pension asset	(14,726,488)
Net pension liability	(5,322,968)
Deferred pension gains	2,235,386
Deferred pension costs	20,904,457
Total difference	<u>\$ 2,321,148</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	\$ 626,483
<i>Change in net position</i> from the IT Management Fund	2,324,762
<i>Change in net position</i> from the Benefits Management Fund	2,339,408
<i>Change in net position</i> from the Risk Management Fund	34,606
Total difference	<u>\$ 5,325,259</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	\$ 1,001,358
Total difference	<u>\$ 1,001,358</u>



**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	\$ 879,103
Total difference	<u>\$ 879,103</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](http://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, 2023. 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, 2023, the City’s bank balance deposit carrying value was \$11,492,987. Of this amount, \$10,975,054 was subject to custodial credit risk because it is uninsured. In addition, of the City’s investments in the Utah Public Treasurers’ Investment Fund (PTIF) of \$92,203,148, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk. The City has no formal policy regarding custodial credit risk.

A summary of the City’s cash, cash equivalents, and investments at June 30, 2023 is as follows:

Restricted	\$ 66,373,387
Unrestricted	114,143,096
Total	<u>\$ 180,516,483</u>
Cash	\$ 88,313,335
Cash equivalents and investments	92,203,148
Total	<u>\$ 180,516,483</u>

(continued on next page)

**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.

The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The City currently has no investments at fair value which have a concentration of credit risk in excess of 5% of the City's investment portfolio. None of the investments reach the maximum 10% concentration level, therefore the City complies with the limitations of the Act.

The total fair value of the City's investment portfolio (excluding funds in the PTIF) at fiscal year-end is \$77,108,786.

**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. The prices for these financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals ; 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, 2023, the City’s fair value investments in the PTIF were \$ 6,930 more than the amortized cost of \$92,203,148.

The City also invests with Moreton Financial Advisors (Moreton). Moreton invests in money market funds and short and intermediate-term fixed income securities (including taxable, tax-exempt, or tax advantaged). Moreton meets the requirements of the Utah Money Management Act.

As of June 30, 2023, the City’s fair value investments in Moreton were \$(437,100) less than the amortized value of \$77,545,886 and were reported at \$77,108,786.

The following are the City’s recurring fair value measurements as of June 30, 2023:

	Fair Value Using			
	06/30/23	Level 1	Level 2	Level 3
Money Market	\$ 447,654	\$ 447,654	\$ -	\$ -
Utah Public Treasurer's Investment Fund	92,203,148	-	92,203,148	-
U.S. Gov't or U.S. Agencies	53,154,619	53,154,619	-	-
Corporate Notes	23,506,513	23,506,513	-	-
<b>Total Investments</b>	<b>\$ 169,311,934</b>	<b>\$ 77,108,786</b>	<b>\$ 92,203,148</b>	<b>\$ -</b>





**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	\$ 1,822,188	\$ 27,759,091	\$ -	\$ 29,581,279	\$ (734,565)	\$ 28,846,714
Redevelopment Agency	-	701,433	-	701,433	-	701,433
Capital Projects	582,524	-	-	582,524	-	582,524
Non-major						
Governmental	384,730	1,162,236	244,737	1,791,703	(78)	1,791,625
Water	3,912,553	-	-	3,912,553	(36,591)	3,875,962
Sewer	2,350,868	-	-	2,350,868	(16,167)	2,334,701
Storm Water	521,656	-	-	521,656	(12,449)	509,207
Non-major						
Proprietary	927,342	-	-	927,342	(32,913)	894,429
Internal Service Funds	20,066	-	-	20,066	-	20,066
	<u>\$ 10,521,927</u>	<u>\$ 29,622,760</u>	<u>\$ 244,737</u>	<u>\$ 40,389,424</u>	<u>\$ (832,763)</u>	<u>\$ 39,556,661</u>

**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	Redevelopment Agency	Capital Projects	Non-Major Governmental	Total
Transfers Out:					
General Fund	\$ -	\$ 331,632	\$ 15,000,000	\$ 65,000	\$ 15,396,632
Water	1,364,675	-	-	-	1,364,675
Sewer	700,000	-	-	-	700,000
Storm Water	234,990	-	-	-	234,990
Non-major Proprietary	39,000	-	-	-	39,000
	<u>\$ 2,338,665</u>	<u>\$ 331,632</u>	<u>\$ 15,000,000</u>	<u>\$ 65,000</u>	<u>\$ 17,735,297</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		
Community Development Block Grant Fund			88,565
Water Fund		3,420,000	
Sewer Fund		5,037,298	

- 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 Community Development Block Grant Fund and Kraftmaid Special Improvement District Fund covers 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 30<sup>th</sup> 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 30<sup>th</sup> of each year.

**NOTE 8 – CAPITAL ASSETS**

<b>Governmental activities</b>	<b>Beg Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Decreases</b>	<b>End Balance</b>
<b>Capital assets, not being depreciated:</b>					
Land	\$ 170,864,947	\$ 159,173	\$ -	\$ -	\$ 171,024,120
Construction in progress	10,597,906	18,666,334	(4,075,871)	-	25,188,369
Total capital assets, not being depreciated	181,462,853	18,825,507	(4,075,871)	-	196,212,489
<b>Capital assets, being depreciated:</b>					
Buildings	57,030,113	-	-	-	57,030,113
Infrastructure	317,893,677	5,125,733	3,583,144	-	326,602,554
Machinery and equipment	29,050,575	915,561	1,427,057	(824,694)	30,568,499
Intangible right-to-use	-	1,976,982	-	-	1,976,982
Subscription-based agreements	1,349,736	560,858	(934,330)	-	976,264
Total capital assets being depreciated	405,324,101	8,579,134	4,075,871	(824,694)	417,154,412
<b>Less accumulated depreciation for:</b>					
Buildings	(17,112,901)	(1,297,990)	-	-	(18,410,891)
Infrastructure	(188,303,228)	(8,164,921)	-	-	(196,468,149)
Machinery and equipment	(18,922,476)	(2,495,054)	(914,475)	824,694	(21,507,311)
Intangible right-to-use	(723,743)	(786,480)	914,475	-	(595,748)
Total accumulated depreciation	(225,062,348)	(12,744,445)	-	824,694	(236,982,099)
Total capital assets, being depreciated, net	180,261,753	(4,165,311)	4,075,871	-	180,172,313
Governmental activities capital assets, net	\$ 361,724,606	\$ 14,660,196	\$ -	\$ -	\$ 376,384,802
<b>Business-type activities</b>					
<b>Capital assets, not being depreciated:</b>					
Land	\$ 7,485,662	\$ -	\$ -	\$ -	\$ 7,485,662
Construction in progress	11,700,315	9,978,893	(12,380,379)	(137,250)	9,161,579
Intangible right-to-use	28,802,649	1,280,955	-	-	30,083,604
Total capital assets, not being depreciated	47,988,626	11,259,848	(12,380,379)	(137,250)	46,730,845
<b>Capital assets, being depreciated:</b>					
Buildings	321,357	-	-	-	321,357
Infrastructure	292,274,003	5,495,533	12,380,379	-	310,149,915
Machinery and equipment	678,217	78,030	-	(498,757)	257,490
Total capital assets being depreciated	293,273,577	5,573,563	12,380,379	(498,757)	310,728,762
<b>Less accumulated depreciation for:</b>					
Buildings	(264,100)	(5,286)	-	-	(269,386)
Infrastructure	(98,006,851)	(5,938,083)	-	-	(103,944,934)
Machinery and equipment	(574,467)	(25,398)	-	498,757	(101,108)
Total accumulated depreciation and amortization	(98,845,418)	(5,968,767)	-	498,757	(104,315,428)
Total capital assets, being depreciated, net	194,428,159	(395,204)	12,380,379	-	206,413,334
Business-type activities capital assets, net	\$ 242,416,785	\$ 10,864,644	\$ -	\$ (137,250)	\$ 253,144,179

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

<b>Governmental activities:</b>	
General government	\$ 181,687
Community development	32,464
Public safety	1,652,306
Highways and public improvements	8,934,984
Parks, recreation, and culture	1,943,004
Total depreciation expenditure	\$ 12,744,445
<b>Business-type activities</b>	
Water	\$ 3,188,716
Wastewater	1,369,269
Storm Water	1,410,782
Total depreciation expense	\$ 5,968,767



**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, 2023, 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.

The following entities have capacity rights as of December 31, 2022.

	<b>Percent</b>	<b>Capacity</b> (in millions of gallons per day)
City of West Jordan	36.44%	19.36
South Valley Sewer District	38.72%	18.22
Sandy Suburban Improvement District	11.00%	5.50
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 \$7,721,835 and capital contributions of \$1,280,955 to SVWRF for the fiscal year ended June 30, 2023. 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.

*Prior Period Adjustment*

Between fiscal years 2019 through 2022, the City recognized the principal payments to the SVWRF Series 2018 related-party debt as a contribution towards this intangible asset. In FY 2023, the City removed the value of these contributions in a prior period adjustment. The Series 2018 bonds were issued in July 2018 by SVWRF for the City's portion of the grit and nutrient project. It has been determined upon further review, that this project did not expand the useful life, nor did it increase the value of the treatment plant. As such, the value of the intangible asset has been reduced by -\$4,082,284 to remove the effect of these prior year contributions.

## 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, 2023, the City has a 21.38 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, 2023, is reported in the government-wide statement of net position.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$964,636 for fiscal year 2023.

**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 \$1,230,097 for fiscal year 2023.

B. 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.

**NOTE 12 – LEASES**

A. Leases Payable

As of June 30, 2023, the City reported four (4) new lease agreements and fourteen (14) existing lease agreements, as lessee, to finance the acquisition or use of equipment. The lease payable is measured as the present value of the future minimum rent payments to be made during the lease term at a discount rate which is the City’s estimated incremental borrowing rate at the time of the lease.

Lease	Issue Date	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Series 2018-01	02/14/18	\$ 741,562	\$ -	\$ (185,780)	\$ 555,782	\$ 191,186
Series 2019-04	05/01/19	191,510	-	(62,027)	129,483	63,819
Series 2019-08	08/22/19	552,323	-	(107,954)	444,369	110,415
Series 2020-01	03/01/20	160,313	-	(160,313)	-	-
Series 2020-02	04/01/20	349,462	-	(349,462)	-	-
Series 2020-04	07/01/20	26,976	-	(26,976)	-	-
Series 2020-05	07/01/20	39,696	-	(39,696)	-	-
Series 2020-06	07/01/20	29,692	-	(29,692)	-	-
Series 2020-07	08/01/20	88,209	-	(88,209)	-	-
Series 2020-08	09/01/20	28,874	-	(28,874)	-	-
Series 2020-09	10/01/20	7,258	-	(7,258)	-	-
Series 2020-10	11/01/20	14,410	-	(14,410)	-	-
Series 2021-01	03/01/21	19,929	-	(9,851)	10,078	10,078
Series 10-22-01	06/01/22	87,004	-	(44,208)	42,796	42,796
Series 10-23-01	07/01/22	-	155,487	(51,750)	103,737	51,027
Series 10-23-02	07/01/22	-	57,523	(19,800)	37,723	18,555
Series 10-23-03	07/01/22	-	147,880	(45,000)	102,880	50,605
Series 10-23-04	01/24/23	-	199,968	(27,217)	172,751	55,724
<b>Total</b>		<b>\$ 2,337,218</b>	<b>\$ 560,858</b>	<b>\$ (1,298,477)</b>	<b>\$ 1,599,599</b>	<b>\$ 594,205</b>

B. Lease Obligations

The future minimum lease obligations as of June 30, 2023 are as follows:

1) 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
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
	<b>\$ 555,782</b>	<b>\$ 37,595</b>	<b>\$ 593,377</b>

**NOTE 12 – LEASES (continued)**

B. Lease Obligations (continued)

2) 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 63,819	\$ 3,742	\$ 67,561
2025	65,664	1,897	67,561
	<u>\$ 129,483</u>	<u>\$ 5,639</u>	<u>\$ 135,122</u>

3) 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	74,415	3,432	77,847
2029	46,098	1,735	47,833
	<u>\$ 444,369</u>	<u>\$ 36,085</u>	<u>\$ 480,454</u>

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**NOTE 12 – LEASES (continued)**

B. Lease Obligations (continued)

4) 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 10,078	\$ 232	\$ 10,310
	\$ 10,078	\$ 232	\$ 10,310

5) 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:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 42,796	\$ 1,412	\$ 44,208
	\$ 42,796	\$ 1,412	\$ 44,208

6) Series 10-23-01 Lease

Purpose: One (1) Caterpillar Paver AP1055  
 Date of issuance: July 1, 2022  
 Term: 3 years  
 Interest rate: 3.30%  
 Original issuance: \$155,487  
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 51,027	\$ 3,423	\$ 54,450
2025	52,711	1,739	54,450
	\$ 103,738	\$ 5,162	\$ 108,900

**NOTE 12 – LEASES (continued)**

B. Lease Obligations (continued)

6) Series 10-23-02 Lease

Purpose: Two (2) Caterpillar Backhoe Loader 420  
 Date of issuance: July 1, 2022  
 Term: 3 years  
 Interest rate: 3.30%  
 Original issuance: \$57,523  
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 18,555	\$ 1,245	\$ 19,800
2025	19,168	632	19,800
	<u>\$ 37,723</u>	<u>\$ 1,877</u>	<u>\$ 39,600</u>

7) Series 10-23-03 Lease

Purpose: One (1) Caterpillar Cold Planer PM312  
 Date of issuance: July 1, 2022  
 Term: 3 years  
 Interest rate: 3.30%  
 Original issuance: \$147,880  
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 50,605	\$ 3,395	\$ 54,000
2025	52,275	1,725	54,000
	<u>\$ 102,880</u>	<u>\$ 5,120</u>	<u>\$ 108,000</u>

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**NOTE 12 – LEASES (continued)**

B. Lease Obligations (continued)

8) Series 10-23-04 Lease

Purpose: One (1) Caterpillar Compact Track Loader 279  
 One (1) Caterpillar Mini Excavator 310  
 One (1) Caterpillar Hydraulic Excavator 315  
 Date of issuance: January 24, 2023  
 Term: 3.43 years  
 Interest rate: 3.30%  
 Original issuance: \$199,968  
 Issuer: Wheeler Machinery

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2024	\$ 55,724	\$ 5,701	\$ 61,425
2025	57,563	3,862	61,425
2026	59,463	1,962	61,425
	<u>\$ 172,750</u>	<u>\$ 11,525</u>	<u>\$ 184,275</u>

**NOTE 13 – SUBSCRIPTION-BASED AGREEMENTS**

A. Subscription-based Agreements Payable

As of June 30, 2023, the City reported two (2) subscription-based agreements, as lessee, to provide police vehicle and body camera systems and evidence storage services. The subscription payable is measured as the present value of the future minimum rent payments to be made during the lease term at a discount rate which is the City’s estimated incremental borrowing rate at the time of the lease.

Subscription	Issue Date	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Axon 2023-01	12/15/22	\$ -	\$ 1,278,094	\$ (149,991)	\$ 1,128,103	\$ 107,699
Axon 2023-02	05/27/23	-	698,888	(82,018)	616,870	58,892
Total		<u>\$ -</u>	<u>\$ 1,976,982</u>	<u>\$ (232,009)</u>	<u>\$ 1,744,973</u>	<u>\$ 166,591</u>

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**NOTE 13 – SUBSCRIPTION-BASED AGREEMENTS (continued)**

A. Subscription-based Agreements Payable (continued)

1) Axon 2023-01 Subscription

Purpose: Police vehicle and body camera system and evidence storage services  
 Date of issuance: December 15, 2022  
 Term: 10 years  
 Interest rate: 3.749%  
 Original issuance: \$1,278,094  
 Issuer: Axon

Agreement requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 107,699	\$ 42,292	\$ 149,991
2025	111,736	38,255	149,991
2026	115,925	34,066	149,991
2027	120,271	29,720	149,991
2028	124,780	25,211	149,991
2029-2032	547,691	52,277	599,968
	<u>\$ 1,128,102</u>	<u>\$ 221,821</u>	<u>\$ 1,349,923</u>

2) Axon 2023-02 Subscription

Purpose: Police vehicle and body camera system and evidence storage services  
 Date of issuance: May 27, 2023  
 Term: 10 years  
 Interest rate: 3.749%  
 Original issuance: \$ 698,888  
 Issuer: Axon

Agreement requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 58,892	\$ 23,126	\$ 82,018
2025	61,100	20,918	82,018
2026	63,391	18,627	82,018
2027	65,767	16,251	82,018
2028	68,233	13,785	82,018
2029-2032	299,487	28,589	328,076
	<u>\$ 616,870</u>	<u>\$ 121,296</u>	<u>\$ 738,166</u>



**NOTE 14 – LONG TERM DEBT**

The City has outstanding debt related to governmental activities totaling \$21,070,000 in lease revenue bonds, and \$1,810,000 from direct borrowings and/or placements. In addition, the City has outstanding debt related to business-type activities totaling \$5,875,000 in water revenue bonds, and \$2,095,000 from direct borrowings and/or placements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<b>Governmental activities</b>					
Revenue bonds:					
Series 2016	\$ 21,915,000	\$ -	\$ (845,000)	\$ 21,070,000	\$ 885,000
Notes from direct borrowings and direct placements:					
Series 2013	730,000	-	(360,000)	370,000	370,000
Series 2014	2,135,000	-	(695,000)	1,440,000	710,000
Series 2015	2,080,000	-	(2,080,000)	-	-
	<u>\$ 26,860,000</u>	<u>\$ -</u>	<u>\$ (3,980,000)</u>	<u>\$ 22,880,000</u>	<u>\$ 1,965,000</u>
<b>Business-type activities</b>					
Revenue bonds:					
Series 2021	\$ 6,590,000	\$ -	\$ (715,000)	\$ 5,875,000	\$ 745,000
Notes from direct borrowings and direct placements:					
Series 2016	2,765,000	-	(670,000)	2,095,000	685,000
	<u>\$ 9,355,000</u>	<u>\$ -</u>	<u>\$ (1,385,000)</u>	<u>\$ 7,970,000</u>	<u>\$ 1,430,000</u>

Debt service requirements on long-term debt at June 30, 2023 are as follows:

Year ending June 30	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	\$ 885,000	\$ 962,975	\$1,080,000	\$ 48,421
2025	930,000	917,600	730,000	24,090
2026	980,000	869,850	-	-
2027	1,030,000	819,600	-	-
2028	1,085,000	766,725	-	-
2029-2033	6,315,000	2,939,875	-	-
2034-2038	8,030,000	1,223,825	-	-
2039	1,815,000	36,300	-	-
	<u>\$ 21,070,000</u>	<u>\$8,536,750</u>	<u>\$1,810,000</u>	<u>\$ 72,511</u>
Year ending June 30	Business-type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
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	870,000	108,600	-	-
2029-2030	1,845,000	111,400	-	-
	<u>\$ 5,875,000</u>	<u>\$ 976,400</u>	<u>\$2,095,000</u>	<u>\$ 81,352</u>



**NOTE 14 – 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 \$21,070,000 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 \$1,810,000 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 \$7,970,000 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:

Year ending June 30	Principal	Interest	Total
2024	\$ 370,000	\$ 4,237	\$ 374,237
	\$ 370,000	\$ 4,237	\$ 374,237

**NOTE 14 – 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:

Year ending June 30	Principal	Interest	Total
2024	\$ 710,000	\$ 44,184	\$ 754,184
2025	730,000	24,090	754,090
	<u>\$ 1,440,000</u>	<u>\$ 68,274</u>	<u>\$ 1,508,274</u>

**C. 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:

Year ending June 30	Principal	Interest	Total
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	1,085,000	766,725	1,851,725
2029-2033	6,315,000	2,939,875	9,254,875
2034-2038	8,030,000	1,223,825	9,253,825
2039	1,815,000	36,300	1,851,300
	<u>\$ 21,070,000</u>	<u>\$ 8,536,750</u>	<u>\$ 29,606,750</u>

**NOTE 14 – LONG TERM DEBT (continued)**

**D. 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:

Year ending June 30	Principal	Interest	Total
2024	\$ 685,000	\$ 40,434	\$ 725,434
2025	700,000	27,214	727,214
2026	710,000	13,704	723,704
	<u>\$ 2,095,000</u>	<u>\$ 81,352</u>	<u>\$ 2,176,352</u>

**E. 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
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	870,000	108,600	978,600
2029-2030	1,845,000	111,400	1,956,400
	<u>\$ 5,875,000</u>	<u>\$ 976,400</u>	<u>\$ 6,851,400</u>





**NOTE 15 – 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, 2023.

	Amount
FY 2020	\$ 32,143
FY 2021	273,070
FY 2022	769,354
FY 2023	<u>773,146</u>
Total paid	<u>\$ 1,847,713</u>

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
FY 2023	<u>231,286</u>
Total paid	<u>\$ 520,278</u>

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**NOTE 15 – TAX ABATEMENTS (continued)**

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 twenty (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, 2023.

	Amount
FY 2019	\$ 321,951
FY 2020	329,838
FY 2021	371,309
FY 2022	483,293
FY 2023	<u>638,681</u>
Total paid	<u>\$ 2,145,072</u>

**NOTE 16 - 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
<b>Governmental activities</b>					
Unamortized bond premium	\$ 1,004,619	\$ -	\$ (176,774)	\$ 827,845	\$ 156,368
Compensated absences	6,436,651	6,217,691	(5,409,700)	7,244,642	3,332,673
Total	<u>\$ 7,441,270</u>	<u>\$ 6,217,691</u>	<u>\$ (5,586,474)</u>	<u>\$ 8,072,487</u>	<u>\$ 3,489,041</u>
<b>Business-type activities</b>					
Unamortized bond premium	\$ 968,226	\$ -	\$ (216,189)	\$ 752,037	\$ 189,752
Compensated absences	305,676	571,156	(540,036)	336,796	151,166
Total	<u>\$ 1,273,902</u>	<u>\$ 571,156</u>	<u>\$ (756,225)</u>	<u>\$ 1,088,833</u>	<u>\$ 340,918</u>



**NOTE 17 – 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.

**NOTE 18 – 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 approximately \$836,000 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, 2023.

Project type	Remaining commitment
General government	\$ 2,768,805
Highways and public improvements	6,913,534
Parks, recreation, and culture	3,353,652
Public safety	123,735
Water	459,910
Sewer	7,367,790
Storm water	23,601
Streetlight	1,000
Fleet management	234,730
IT management	246,629
	\$ 21,493,386

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**NOTE 18 – CONTINGENT LIABILITIES AND COMMITMENTS**

**B. Commitments**

*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
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	2,611,760	223,131
2029-2031	4,716,593	232,217
	\$ 16,729,905	\$ 2,339,597

**NOTE 19 – REDEVELOPMENT AGENCY**

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

A. The following areas are active within the Agency and tax increment was collected in FY 2023:

			Tax increment collected
RDA Area 1	Town Center	6600-7000 S Redwood	\$ 239,803
RDA Area 2	Industrial Park	1100-1500 W 7800-8000 South	159,826
RDA Area 4	Spratling	1300-1700 W 9000 South	337,352
RDA Area 5	Downtown	1900 W 7600-7900 South	258,775
EDA Area 2	KraftMaid	10026 S Prosperity Rd	1,217,737
EDA Area 4	Fairchild	3333 W 9000 South	888,674
CDA Area 1	Jordan Valley Station	3295 W 9000 South	648,407
			3,750,574
		Interest earnings	651,772
		Total	\$4,402,346

**B. Redevelopment Activity**

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

Administrative costs	\$ 135,962
Redevelopment activity	1,694,736
Total	\$ 1,830,698

## NOTE 20 – 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 cost-sharing, multiple-employer, public employee retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Firefighters Retirement System (Firefighters 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](http://www.urs.org/general/publications).

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**NOTE 20 – 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:

<b>System</b>	<b>Final Average Salary</b>	<b>Years of service required and/or age eligible for benefit</b>	<b>Benefit percent per year of service</b>	<b>COLA**</b>
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.

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**NOTE 20 – 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, 2023 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
<b>Contributory System</b>				
11 - Local Governmental Division Tier 1	N/A	6.00%	13.96%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	16.01%	0.18%
<b>Noncontributory System</b>				
15 - Local Governmental Division Tier 1	N/A	N/A	17.97%	N/A
<b>Public Safety Contributory System</b>				
122 - Tier 2 DB Hybrid Public Safety	N/A	2.59%	23.74%	N/A
<b>Public Safety Noncontributory System</b>				
49 - Other Division B 2.5% COLA	N/A	N/A	32.28%	N/A
<b>Firefighters System</b>				
32 - Division B Tier 1	N/A	16.71%	6.24%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	2.59%	14.08%	N/A
<b>Tier 2 DC Only</b>				
211 - Local Government	N/A	N/A	6.19%	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 20 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Contribution Rate Summary (continued)**

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,760,503	NA
Public Safety System	1,405,056	-
Firefighters System	1,046,235	-
Tier 2 Public Employees System	1,148,498	-
Tier 2 Public Safety and Firefighter System	1,820,127	-
Tier 2 DC Only System	105,314	NA
Tier 2 DC Public Safety and Firefighter System	67,591	NA
Total contributions	\$ 7,353,324	\$ -

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, 2023, the City reported a net pension asset of \$6,987,757 and a net pension liability of \$5,939,011.

System	Measurement Date: December 31, 2022			Proportionate Share December 31, 2021	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 2,035,640	1.188522%	1.1303365%	0.0581857%
Public Safety System	-	3,369,054	7.2503448%	7.4742883%	-0.2239435%
Firefighters System	6,987,757	-	5.5515953%	5.1426111%	0.4089842%
Tier 2 Public Employees System	-	330,943	0.3039256%	0.2879919%	0.0159337%
Tier 2 Public Safety and Firefighter System	-	203,374	2.4378241%	2.2378177%	0.2000064%
	\$ 6,987,757	\$ 5,939,011			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2022 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, 2023, the City recognized a pension expense of \$2,892,097.

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





**NOTE 20 – 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, 2023, 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	\$ 2,399,564	\$ 89,538
Changes in assumptions	1,301,762	56,800
Net difference between projected and actual earnings on pension plan investments	3,832,639	-
Changes in proportion and differences between contributions and proportionate share of contributions	246,061	629,343
Contributions subsequent to the measurement date	2,962,883	-
	<u>\$ 10,742,909</u>	<u>\$ 775,681</u>

Deferred outflows of resources related to pensions of \$2,962,883 results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	(\$703,543)
2024	466,323
2025	1,456,690
2026	5,541,099
2027	40,830
Thereafter	202,947

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**NOTE 20 – 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, 2023, the City recognized pension expense of \$794,520.

At June 30, 2023, 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	\$ 690,459	\$ -
Changes in assumptions	333,614	8,128
Net difference between projected and actual earnings on pension plan investments	1,342,728	-
Changes in proportion and differences between contributions and proportionate share of contributions	41,519	104,264
Contributions subsequent to the measurement date	804,670	-
	\$ 3,212,990	\$ 112,392

Deferred outflows of resources related to pensions of \$804,670 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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	\$ (376,499)
2023	71,080
2024	539,322
2025	2,062,025
2026	-
Thereafter	-

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**NOTE 20 – 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, 2023, the City recognized pension expense of \$1,862,285.

At June 30, 2023, 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	\$ 1,162,684	\$ -
Changes in assumptions	248,759	27,459
Net difference between projected and actual earnings on pension plan investments	953,492	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	114,730
Contributions subsequent to the measurement date	638,031	-
	\$ 3,002,966	\$ 142,189

Deferred outflows of resources related to pensions of \$638,031 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ 303,425
2024	278,183
2025	353,473
2026	1,287,665
2027	-
Thereafter	-

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**NOTE 20 – 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, 2023, the City recognized pension expense of \$(1,281,655).

At June 30, 2023, 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	\$ 336,536	\$ 8,966
Changes in assumptions	483,329	-
Net difference between projected and actual earnings on pension plan investments	1,191,986	-
Changes in proportion and differences between contributions and proportionate share of contributions	113,476	377,856
Contributions subsequent to the measurement date	129,996	-
	\$ 2,255,323	\$ 386,822

Deferred outflows of resources related to pensions of \$129,996 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ (668,403)
2024	35,903
2025	434,601
2026	1,936,404
2027	-
Thereafter	-

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**NOTE 20 – 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, 2023, the City recognized pension expense of \$634,197.

At June 30, 2023, 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	\$ 111,780	\$ 13,130
Changes in assumptions	107,440	842
Net difference between projected and actual earnings on pension plan investments	133,426	-
Changes in proportion and differences between contributions and proportionate share of contributions	52,854	14,838
Contributions subsequent to the measurement date	599,599	-
	<b>\$ 1,005,099</b>	<b>\$ 28,810</b>

Deferred outflows of resources related to pensions of \$599,599 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ 18,737
2024	39,760
2025	63,321
2026	120,180
2027	28,235
Thereafter	106,456

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**NOTE 20 – 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, 2023, the City recognized pension expense of \$882,751.

At June 30, 2023, 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	\$ 98,105	\$ 67,442
Changes in assumptions	128,620	20,371
Net difference between projected and actual earnings on pension plan investments	211,009	-
Changes in proportion and differences between contributions and proportionate share of contributions	38,212	17,655
Contributions subsequent to the measurement date	790,586	-
	<b>\$ 1,266,532</b>	<b>\$105,468</b>

Deferred outflows of resources related to pensions of \$790,586 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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
2023	\$ 19,197
2024	41,397
2025	65,973
2026	134,825
2027	12,595
Thereafter	96,491

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**NOTE 20 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Actuarial Assumptions**

The total pension liability in the December 31, 2022 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, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	(0.11)%	0.00%
Total	100.00%		5.17%
Inflation			2.50%
Expected arithmetical nominal return			7.67%

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 20 – 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.

*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	\$ 12,829,286	\$ 2,035,640	\$ (6,983,019)
Public Safety System	11,117,925	3,369,054	(2,951,482)
Firefighters System	2,171,534	(6,987,757)	(14,509,051)
Tier 2 Public Employees System	1,446,038	330,943	(528,097)
Tier 2 Public Safety and Firefighter System	1,627,951	203,374	(928,825)
	<u>\$ 29,192,734</u>	<u>\$ (1,048,746)</u>	<u>\$ (25,900,474)</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 20 – 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 2021	FY 2022	FY 2023
401 (k) Plan			
Employer contributions	\$ 280,102	\$ 330,526	\$ 405,413
Employee contributions	61,676	156,417	194,597
457 Plan			
Employer contributions	84,906	93,220	108,063
Employee contributions	18,447	275,960	346,524
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	400	50,176	68,302
Traditional IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	-	365	1,659

(continued on next page)



**NOTE 21 – DEFERRED COMPENSATION**

A. Deferred Compensation Plan (457)

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

The Nationwide 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 Nationwide Retirement Corporation. Under the plan, the City contributes amounts from 0.88% to 22.62% depending upon the defined contribution system to which each employee class belongs. Employees are classified as management, general employee, police, or fire.

In July 2021, the City began offering a 1:2 match into a defined contribution retirement plan up to a maximum of 2% of the employee’s salary per year. There is currently greater than 95% participation in this benefit.

The City contributed the following amounts to the defined contribution retirement plans. :

FY 2021	\$186,068
FY 2022	\$810,059
FY 2023	\$906,360

An employee is vested immediately with the first contribution to Nationwide 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 Nationwide Retirement Corporation.

(continued on next page)



**NOTE 21 – DEFERRED COMPENSATION (continued)**

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.

Years of service	Conversion percentage
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 two (2) 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 \$1,301,733 in governmental activities, and \$110,614 in business-type activities for a total accrual amount of \$1,412,347.

(continued on next page)



**NOTE 22 – 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	\$ 214,485	\$ -	\$ 358,293	\$ 1,591	\$ 574,369
Restricted					
Debt service	1,945	-	-	1,386	3,331
Impact fees	-	-	20,742,928	-	20,742,928
Federal funds	-	-	-	446,846	446,846
State funds	49,484	-	5,443,839	-	5,493,323
Assigned					
Redevelopment	-	13,818,522	-	-	13,818,522
Limited purpose fund	-	-	-	7,523,602	7,523,602
Community center	-	-	5,670,293	-	5,670,293
Capital projects	-	-	30,018,064	-	30,018,064
Unassigned	17,990,716	-	-	-	17,990,716
	<u>\$ 18,256,630</u>	<u>\$ 13,818,522</u>	<u>\$ 62,233,417</u>	<u>\$ 7,973,425</u>	<u>\$ 102,281,994</u>

**NOTE 23 – SUBSEQUENT EVENTS**

In June 2023, the City experienced a ransomware cyber-security attack. The attack brought down the City’s entire information network and caused a disruption in the general operations of the City for several months, resulting in a delay of the City’s ability to produce this report and certain operating information in its annual continuing disclosure filing by the due date. The City filed a Notice of Failure to Provide Annual Financial Information as Required with the Electronic Municipal Market Access (EMMA) within the required due date.



**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.

<b>GASB Accounting Standard</b>	<b>Required Year of Adoption</b>
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, 2023**



*West Jordan Veteran's Day Recognition*

CITY OF WEST JORDAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 For the Fiscal Year Ended June 30, 2023



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Sales tax	\$ 28,055,000	\$ 32,710,000	\$ 33,600,667	\$ 890,667
Property tax	19,835,836	19,835,836	20,522,134	686,298
Franchise tax	7,915,000	8,355,000	9,386,413	1,031,413
Licenses and permits	739,500	1,139,500	1,074,249	(65,251)
Intergovernmental	883,800	1,157,300	986,749	(170,551)
Charges for services	2,661,500	2,886,500	3,192,984	306,484
Fines and forfeitures	1,100,000	1,100,000	1,100,995	995
Miscellaneous	572,500	572,500	712,968	140,468
Investment income	50,000	400,000	711,670	311,670
Total revenues	61,813,136	68,156,636	71,288,829	3,132,193
<b>EXPENDITURES</b>				
General government				
Legislative services	486,735	527,800	463,920	(63,880)
Mayor	595,546	623,564	567,201	(56,363)
Administrative services	1,463,359	1,577,458	1,534,517	(42,941)
Communications	310,717	329,725	316,398	(13,327)
Justice court	905,168	936,607	912,858	(23,749)
Legal services	1,814,809	1,967,748	1,760,875	(206,873)
Non-departmental	3,386,329	5,652,329	5,544,648	(107,681)
Total general government	8,962,663	11,615,231	11,100,417	(514,814)
Community development				
Community preservation	744,576	795,088	738,021	(57,067)
Development services	81,230	89,465	85,270	(4,195)
Economic development	464,343	478,159	466,138	(12,021)
Total community development	1,290,149	1,362,712	1,289,429	(73,283)
Public safety				
Fire department	13,797,708	15,134,382	14,380,503	(753,879)
Police department	25,531,165	26,810,251	25,404,705	(1,405,546)
Total public safety	39,328,873	41,944,633	39,785,208	(2,159,425)
Highways and public improvements				
Engineering	666,742	773,674	734,967	(38,707)
Facilities management	1,697,471	1,851,958	1,676,958	(175,000)
GIS	256,103	267,273	211,408	(55,865)
Public works administration	449,492	475,337	426,623	(48,714)
Streets and highways	4,602,881	4,949,944	4,495,100	(454,844)
Total highways and public improvements	7,672,689	8,318,186	7,545,056	(773,130)
Parks, recreation, and culture				
Parks and recreation	6,034,625	6,200,051	5,318,859	(881,192)
Cemetery	258,961	269,542	227,839	(41,703)
Total parks, recreation, and culture	6,293,586	6,469,593	5,546,698	(922,895)
Debt service				
Principal	2,775,000	2,775,000	2,775,000	-
Interest and fiscal charges	95,722	95,722	70,870	(24,852)
Total debt service	2,870,722	2,870,722	2,845,870	(24,852)
Total expenditures	66,418,682	72,581,077	68,112,678	(4,468,399)
Excess (deficiency) of revenues over (under) expenditures	(4,605,546)	(4,424,441)	3,176,152	7,600,593
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	24,233	24,233
Transfers in	2,338,665	2,338,665	2,338,665	-
Transfers out	(111,000)	(15,415,346)	(15,396,632)	18,714
Net other financing sources (uses)	2,227,665	(13,076,681)	(13,033,734)	42,947
Net change in fund balance	\$ (2,377,881)	\$ (17,501,122)	(9,857,582)	\$ 7,643,540
Fund balance at beginning of year			28,114,212	
Fund balance at end of year			\$ 18,256,630	





**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	\$ 3,360,000	\$ 3,756,658	\$ 3,750,574	\$ (6,084)
Investment income	-	464,000	651,772	187,772
Total revenues	<u>3,360,000</u>	<u>4,220,658</u>	<u>4,402,346</u>	<u>181,688</u>
<u>EXPENDITURES</u>				
Community development	6,327,500	6,955,254	1,830,698	(5,124,556)
Total expenditures	<u>6,327,500</u>	<u>6,955,254</u>	<u>1,830,698</u>	<u>(5,124,556)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,967,500)</u>	<u>(2,734,596)</u>	<u>2,571,648</u>	<u>5,306,244</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	2,500,000	2,500,000	-	(2,500,000)
Transfers in	50,000	350,346	331,632	(18,714)
Net other financing sources (uses)	<u>2,550,000</u>	<u>2,850,346</u>	<u>331,632</u>	<u>(2,518,714)</u>
Net change in fund balance	<u>\$ (417,500)</u>	<u>\$ 115,750</u>	<u>2,903,280</u>	<u>\$ 2,787,530</u>
Fund balance at beginning of year			<u>10,915,242</u>	
Fund balance at end of year			<u>\$ 13,818,522</u>	



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

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%
2022	1.1885222%	N/A	7.2503448%	5.5515953%	0.3039256%	2.4378241%
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)
2022	2,035,640	N/A	3,369,054	(6,987,757)	330,943	203,374
Covered 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
2022	10,347,305	N/A	4,642,933	4,574,265	6,618,771	7,500,664
Proportionate share of the net pension liability (asset) as a percentage of its covered 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%
2022	19.67%	N/A	72.56%	-152.76%	5.00%	2.71%
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%
2022	97.5%	N/A	93.7%	110.3%	92.3%	96.4%

<sup>1</sup> 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 <sup>1</sup>**

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%
	2023	1,760,503	1,760,503	-	10,156,537	17.33%
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%
	2023	-	-	-	-	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%
	2023	1,405,056	1,405,056	-	4,595,266	30.58%
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%
	2023	284,466	284,466	-	4,558,457	6.24%
Tier 2 Public Employees System <sup>2</sup>	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%
	2023	1,148,498	1,148,498	-	7,181,673	15.99%

(continued on next page)



**SCHEDULE OF CONTRIBUTIONS (continued)**  
**UTAH STATE RETIREMENT SYSTEM**  
**LAST 10 CALENDAR YEARS <sup>1</sup>**

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 Safety and Firefighter System <sup>2</sup>	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%
	2023	1,616,473	1,616,473	-	7,876,368	20.52%
Tier 2 Public Employees DC Only System <sup>2</sup>	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%
	2023	105,314	105,314	-	1,591,007	6.62%
Tier 2 Public Safety and Firefighter DC Only System <sup>2</sup>	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%
	2023	67,591	67,591	-	889,240	7.60%

<sup>1</sup> 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.

<sup>2</sup> 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**

No changes were made in actuarial assumptions from the prior year's valuation



*West Jordan Crossing Guards and Community Service Officer*

**SUPPLEMENTARY INFORMATION**



**For Fiscal Year Ended June 30, 2023**



**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	\$ 2,235,000	\$ 2,175,662	\$ (59,338)
Intergovernmental	2,415,000	7,684,000	7,463,857	(220,143)
Charges for services	-	-	688,133	688,133
Miscellaneous	-	-	5,000	5,000
Investment income	-	975,000	2,181,821	1,206,821
Total revenues	4,615,000	10,894,000	12,514,473	1,620,473
<u>EXPENDITURES</u>				
Public safety	-	16,578	17,088	510
Highways and public improvements	20,040,175	31,682,005	16,460,730	(15,221,275)
Parks, recreation, and culture	4,705,000	5,882,874	1,678,929	(4,203,945)
Debt service				
Principal	360,000	360,000	360,000	-
Interest and fiscal charges	13,846	14,246	24,385	10,139
Total debt service	373,846	374,246	384,385	10,139
Total expenditures	25,119,021	37,955,703	18,541,132	(19,414,571)
Excess (deficiency) of revenues over (under) expenditures	(20,504,021)	(27,061,703)	(6,026,659)	21,035,044
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,233,568	15,000,000	15,000,000	-
Net other financing sources (uses)	1,233,568	15,000,000	15,000,000	-
Net change in fund balance	\$ (19,270,453)	\$ (12,061,703)	8,973,341	\$ 21,035,044
Fund balance at beginning of year			53,260,076	
Fund balance at end of year			\$ 62,233,417	





*West Jordan Fire Station 52*

## **OTHER GOVERNMENTAL FUNDS**

### **Municipal Building Authority (MBA) Fund**

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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.

### **Development Services Fund**

---

The Development Services Fund is used to account for the activities which support new development such as compliance, plan review and inspections.



**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
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,772,910	\$ 3,644,868	\$51,071	\$ 40,347	\$ 789,938
Accounts receivable (net of allowance)	-	-	-	38,947	-
Due from other governments	-	1,152,042	10,194	-	-
Due from other funds	-	-	-	-	88,565
Prepaid items	-	-	-	-	-
Restricted cash	1,385	-	-	-	-
<b>Total assets</b>	<b>1,774,295</b>	<b>4,796,910</b>	<b>61,265</b>	<b>79,294</b>	<b>878,503</b>
<b>LIABILITIES</b>					
Accounts payable	-	977,086	1,812	28,489	-
Accrued liabilities	-	-	-	2,688	-
<b>Total liabilities</b>	<b>-</b>	<b>977,086</b>	<b>1,812</b>	<b>31,177</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	-	-	10,133	-	-
<b>Total deferred Inflows of resources</b>	<b>-</b>	<b>-</b>	<b>10,133</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	1,385	-	-	-	-
Assigned	1,772,910	3,819,824	49,320	48,117	878,503
<b>Total fund balances</b>	<b>1,774,295</b>	<b>3,819,824</b>	<b>49,320</b>	<b>48,117</b>	<b>878,503</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,774,295</b>	<b>\$ 4,796,910</b>	<b>\$61,265</b>	<b>\$ 79,294</b>	<b>\$ 878,503</b>

(continued on next page)



**COMBINING BALANCE SHEET (continued)**  
**NON-MAJOR GOVERNMENTAL FUNDS**

	Grants Fund	Community Development Block Grant Fund	Development Services Fund	Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 976,305	\$ 7,275,439
Accounts receivable (net of allowance)	25,239	317,575	2,892	384,653
Due from other governments	-	244,736	-	1,406,972
Due from other funds	-	(88,565)	-	-
Prepaid items	-	1,591	-	1,591
Restricted cash	842	135,274	-	137,501
<b>Total assets</b>	<b>26,081</b>	<b>610,611</b>	<b>979,197</b>	<b>9,206,156</b>
<b>LIABILITIES</b>				
Accounts payable	-	119,349	18,079	1,144,815
Accrued liabilities	-	4,960	70,135	77,783
<b>Total liabilities</b>	<b>-</b>	<b>124,309</b>	<b>88,214</b>	<b>1,222,598</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	-	-	-	10,133
<b>Total deferred Inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,133</b>
<b>FUND BALANCE</b>				
Nonspendable	-	1,591	-	1,591
Restricted	-	452,849	-	454,234
Assigned	26,081	31,862	890,983	7,517,600
<b>Total fund balances</b>	<b>26,081</b>	<b>486,302</b>	<b>890,983</b>	<b>7,973,425</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 26,081</b>	<b>\$ 610,611</b>	<b>\$ 979,197</b>	<b>\$ 9,206,156</b>

**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
<b>REVENUES</b>					
Property tax	\$ -	\$ -	\$ 10,852	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	4,919,381	-	-	-
Charges for services	1,853,860	-	-	301,481	-
Miscellaneous	-	-	-	-	-
Investment income	57,734	102,670	1,928	-	31,944
Total revenues	1,911,594	5,022,051	12,780	301,481	31,944
<b>EXPENDITURES</b>					
Community development	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and public improvements	-	5,689,350	16,129	-	-
Parks, recreation, and culture	-	-	-	319,631	-
Debt service:					
Principal	845,000	-	-	-	-
Interest and fiscal charges	1,009,000	-	-	1,502	-
Total expenditures	1,854,000	5,689,350	16,129	321,133	-
Excess (deficiency) of revenues over (under) expenditures	57,594	(667,299)	(3,349)	(19,652)	31,944
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	65,000	-
Total other financing sources (uses)	-	-	-	65,000	-
Net change of fund balance	57,594	(667,299)	(3,349)	45,348	31,944
Fund balance at beginning of year	1,716,701	4,487,123	52,669	2,769	846,559
Fund balance at end of year	\$ 1,774,295	\$ 3,819,824	\$ 49,320	\$ 48,117	\$ 878,503

(continued on next page)



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

	Grants Fund	Community Development Block Grant Fund	Development Services Fund	Non-Major Governmental Funds
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ 10,852
Licenses and permits	-	-	4,388,468	4,388,468
Intergovernmental	128,194	846,122	-	5,893,697
Charges for services	16,984	-	636,570	2,808,895
Miscellaneous	12,386	-	620	13,006
Investment income	-	-	49,543	243,819
Total revenues	157,564	846,122	5,075,201	13,358,737
<b>EXPENDITURES</b>				
Community development	-	984,534	4,184,218	5,168,752
Public safety	145,178	-	-	145,178
Highways and public improvements	-	166,927	-	5,872,406
Parks, recreation, and culture	12,386	-	-	332,017
Debt service:				
Principal	-	-	-	845,000
Interest and fiscal charges	-	-	-	1,010,502
Total expenditures	157,564	1,151,461	4,184,218	13,373,855
Excess (deficiency) of revenues over (under) expenditures	-	(305,339)	890,983	(15,118)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	65,000
Total other financing sources (uses)	-	-	-	65,000
Net change of fund balance	-	(305,339)	890,983	49,882
Fund balance at beginning of year	26,081	791,641	-	7,923,543
Fund balance at end of year	\$ 26,081	\$ 486,302	\$ 890,983	\$ 7,973,425



**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
<b>REVENUES</b>				
Charges for services	\$ 1,853,860	\$ 1,853,860	\$ 1,853,860	\$ -
Investment income	-	-	57,734	57,734
Total revenues	1,853,860	1,853,860	1,911,594	57,734
<b>EXPENDITURES</b>				
Debt service				
Principal	845,000	845,000	845,000	-
Interest and fiscal charges	1,008,860	1,008,860	1,009,000	140
Total expenditures	1,853,860	1,853,860	1,854,000	140
Excess (deficiency) of revenues over (under) expenditures	-	-	57,594	57,594
Net change in fund balance	\$ -	\$ -	57,594	\$ 57,594
Fund balance at beginning of year			1,716,701	
Fund balance at end of year			\$ 1,774,295	



**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
<b>REVENUES</b>				
Intergovernmental	\$ 4,400,000	\$ 4,400,000	\$ 4,919,381	\$ 519,381
Investment income	-	-	102,670	102,670
Total revenues	<u>4,400,000</u>	<u>4,400,000</u>	<u>5,022,051</u>	<u>622,051</u>
<b>EXPENDITURES</b>				
Highways and public improvements	5,219,000	8,887,123	5,689,350	(3,197,773)
Total expenditures	<u>5,219,000</u>	<u>8,887,123</u>	<u>5,689,350</u>	<u>(3,197,773)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(819,000)</u>	<u>(4,487,123)</u>	<u>(667,299)</u>	<u>3,819,824</u>
Net change in fund balance	<u>\$ (819,000)</u>	<u>\$ (4,487,123)</u>	<u>(667,299)</u>	<u>\$ 3,819,824</u>
Fund balance at beginning of year			<u>4,487,123</u>	
Fund balance at end of year			<u>\$ 3,819,824</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
<b><u>REVENUES</u></b>				
Charges for services	\$ 10,845	\$ 10,845	\$ 10,852	\$ 7
Investment income	-	-	1,928	1,928
Total revenues	10,845	10,845	12,780	1,935
<b><u>EXPENDITURES</u></b>				
Highways and public improvements	15,500	25,500	16,129	(9,371)
Total expenditures	15,500	25,500	16,129	(9,371)
Excess (deficiency) of revenues over (under) expenditures	(4,655)	(14,655)	(3,349)	11,306
Net change in fund balance	\$ (4,655)	\$ (14,655)	(3,349)	\$ 11,306
Fund balance at beginning of year			52,669	
Fund balance at end of year			\$ 49,320	



**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
<b>REVENUES</b>				
Charges for services	\$ 251,600	\$ 265,600	\$ 301,481	\$ 35,881
Investment income	-	2,000	-	(2,000)
Total revenues	251,600	267,600	301,481	33,881
<b>EXPENDITURES</b>				
Parks, recreation, and culture	304,854	312,000	319,631	7,631
Interest and fiscal charges	-	-	1,502	1,502
Total expenditures	304,854	312,000	321,133	9,133
Excess (deficiency) of revenues over (under) expenditures	(53,254)	(44,400)	(19,652)	24,748
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	61,000	62,400	65,000	2,600
Net other financing sources (uses)	61,000	62,400	65,000	2,600
Net change in fund balance	\$ 7,746	\$ 18,000	45,348	\$ 27,348
Fund balance at beginning of year			2,769	
Fund balance at end of year			\$ 48,117	

**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	\$ -	\$ -	\$ 31,944	\$ 31,944
Total revenues	-	-	31,944	31,944
Excess (deficiency) of revenues over (under) expenditures	-	-	31,944	31,944
Net change in fund balance	\$ -	\$ -	31,944	\$ 31,944
Fund balance at beginning of year			846,559	
Fund balance at end of year			\$ 878,503	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 82,659	\$ 128,194	\$ 45,535
Charges for services	-	-	16,984	16,984
Miscellaneous	-	12,386	12,386	-
Investment income	-	-	-	-
Total revenues	-	95,045	157,564	62,519
<u>EXPENDITURES</u>				
Public safety	-	81,596	145,178	63,582
Parks, recreation, and culture	-	-	12,386	12,386
Total expenditures	-	81,596	157,564	75,968
Excess (deficiency) of revenues over (under) expenditures	-	13,449	-	(13,449)
Net change in fund balance	\$ -	\$ 13,449	-	\$ (13,449)
Fund balance at beginning of year			26,081	
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
<b>REVENUES</b>				
Intergovernmental	\$ 1,424,239	\$ 1,739,739	\$ 846,122	\$ (893,617)
Investment income	-	-	-	-
Total revenues	1,424,239	1,739,739	846,122	(893,617)
<b>EXPENDITURES</b>				
Community development	524,239	839,739	984,534	144,795
Highways and public improvements	900,000	900,000	166,927	(733,073)
Total expenditures	1,424,239	1,739,739	1,151,461	(588,278)
Excess (deficiency) of revenues over (under) expenditures	-	-	(305,339)	(305,339)
Net change in fund balance	\$ -	\$ -	(305,339)	\$ (305,339)
Fund balance at beginning of year			791,641	
Fund balance at end of year			\$ 486,302	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 3,322,000	\$ 4,522,000	\$ 4,388,468	\$ (133,532)
Charges for services	844,800	692,300	636,570	(55,730)
Miscellaneous	-	-	620	620
Investment income	-	-	49,543	49,543
Total revenues	<u>4,166,800</u>	<u>5,214,300</u>	<u>5,075,201</u>	<u>(139,099)</u>
<u>EXPENDITURES</u>				
Community development	4,560,066	4,575,066	4,184,218	(390,848)
Total expenditures	<u>4,560,066</u>	<u>4,575,066</u>	<u>4,184,218</u>	<u>(390,848)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(393,266)</u>	<u>639,234</u>	<u>890,983</u>	<u>251,749</u>
Net change in fund balance	<u>\$ (393,266)</u>	<u>\$ 639,234</u>	<u>890,983</u>	<u>\$ 251,749</u>
Fund balance at beginning of year			<u>-</u>	
Fund balance at end of year			<u>\$ 890,983</u>	

## 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.

### Benefits Management Fund

The Benefits Management Fund is used to account for the activities of the City's self-insurance medical program, medical claims administration, and the employee leave buyout at termination and/or retirement.

### Risk Management Fund

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

**STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Benefits Management Fund	Risk Management Fund	Internal Service Funds
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 3,423,477	\$ 4,501,592	\$ 2,308,636	\$ 2,635,466	\$ 12,869,171
Accounts receivable (net of allowance)	-	-	20,066	-	20,066
Prepaid items	4,213	235,449	340,000	-	579,662
Total current assets	3,427,690	4,737,041	2,668,702	2,635,466	13,468,899
Noncurrent assets					
Net pension asset	96,823	76,682	-	20,257	193,762
Capital assets					
Construction in progress	1,727,255	-	-	-	1,727,255
Equipment	27,270,386	1,544,667	-	-	28,815,053
Subscription-based agreements	-	1,976,982	-	-	1,976,982
Intangible right-to-use	976,264	-	-	-	976,264
Accumulated depreciation and amortization	(18,824,617)	(1,643,516)	-	-	(20,468,133)
Total noncurrent assets	11,246,111	1,954,815	-	20,257	13,221,183
Total assets	14,673,801	6,691,856	2,668,702	2,655,723	26,690,082
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension costs	148,855	117,890	-	31,143	297,888
Total deferred outflows of resources	148,855	117,890	-	31,143	297,888
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	1,399,361	392,164	329,294	52,120	2,172,939
Accrued liabilities	28,337	35,131	-	843,308	906,776
Bonds payable	594,205	-	-	-	594,205
Leases payable	-	166,591	-	-	166,591
Compensated absences	32,623	62,739	-	7,885	103,247
Liabilities from restricted assets:					
Interest payable	27,551	23,073	-	-	50,624
Total current liabilities	2,082,077	679,698	329,294	903,313	3,994,382
Noncurrent liabilities					
Leases payable	1,005,392	-	-	-	1,005,392
Subscriptions payable	-	1,578,382	-	-	1,578,382
Compensated absences	42,149	66,071	-	3,536	111,756
Net pension payable	82,292	65,173	-	17,217	164,682
Total noncurrent liabilities	1,129,833	1,709,626	-	20,753	2,860,212
Total liabilities	3,211,910	2,389,324	329,294	924,066	6,854,594
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension gains	10,748	8,512	-	2,249	21,509
Total deferred inflows of resources	10,748	8,512	-	2,249	21,509
<b>NET POSITION</b>					
Net investment in capital assets	8,502,987	110,087	-	-	8,613,074
Unrestricted	3,097,011	4,301,823	2,339,408	1,760,551	11,498,793
Total net position	\$ 11,599,998	\$ 4,411,910	\$ 2,339,408	\$ 1,760,551	\$ 20,111,867



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

	Fleet Management Fund	IT Replacement Fund	Benefits Management Fund	Risk Management Fund	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,734,410	\$ 5,023,500	\$ 8,794,128	\$ 2,147,635	\$ 22,699,673
Other	7,929	3,598	-	-	11,527
Total operating revenues	6,742,339	5,027,098	8,794,128	2,147,635	22,711,200
<b>OPERATING EXPENSES</b>					
Wages and benefits	786,163	934,452	-	220,311	1,940,926
Operations and maintenance	2,480,624	1,734,776	6,484,369	1,966,174	12,665,943
Depreciation and amortization	3,124,405	98,849	-	-	3,223,254
Total operating expenses	6,391,192	2,768,077	6,484,369	2,186,485	17,830,123
Operating income (loss)	351,147	2,259,021	2,309,759	(38,850)	4,881,077
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	118,524	88,814	29,649	73,456	310,443
Interest and fiscal charges	(60,263)	(23,073)	-	-	(83,336)
Gain/(loss) on disposal of assets	217,075	-	-	-	217,075
Total nonoperating revenues (expenses)	275,336	65,741	29,649	73,456	444,182
Income (loss) before contributions and transfers	626,483	2,324,762	2,339,408	34,606	5,325,259
Change in net position	626,483	2,324,762	2,339,408	34,606	5,325,259
Total net position, beginning	10,973,515	2,087,148	-	1,725,945	14,786,608
Total net position, ending	\$ 11,599,998	\$ 4,411,910	\$ 2,339,408	\$ 1,760,551	\$ 20,111,867

**STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Benefits Management Fund	Risk Management Fund	Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	\$ 6,742,339	\$ 5,027,098	\$ 8,774,062	\$ 2,147,635	\$ 22,691,134
Payments to suppliers of goods and services	(1,549,623)	(1,808,804)	(6,495,075)	(1,537,941)	(11,391,443)
Payments to employees for services	(828,958)	(966,547)	-	(229,174)	(2,024,679)
Net cash provided (used) by operating activities	4,363,758	2,251,747	2,278,987	380,520	9,275,012
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets	217,075	-	-	-	217,075
Purchases of capital assets	(3,366,122)	(1,976,982)	-	-	(5,343,104)
Principal paid on debt	(737,620)	1,744,973	-	-	1,007,353
Interest and fiscal charges paid on capital debt	(60,263)	-	-	-	(60,263)
Net cash provided (used) by capital and related financing activities	(3,946,930)	(232,009)	-	-	(4,178,939)
Cash flows from investing activities					
Investment income	118,524	88,814	29,649	73,456	310,443
Net cash provided by investing activities	118,524	88,814	29,649	73,456	310,443
Net increase (decrease) in cash and cash equivalents	535,352	2,108,552	2,308,636	453,976	5,406,516
Cash and cash equivalents - beginning of year	2,888,125	2,393,040	-	2,181,490	7,462,655
Cash and cash equivalents - end of year	\$ 3,423,477	\$ 4,501,592	\$ 2,308,636	\$ 2,635,466	\$ 12,869,171
Operating income (loss)	\$ 351,547	\$ 2,269,261	\$ 2,309,759	\$ (38,850)	\$ 4,891,717
Adjustments to reconcile operating income to net cash provided by:					
Depreciation and amortization	3,124,405	98,849	-	-	3,223,254
(Increase) decrease in receivables	-	-	(20,066)	-	(20,066)
(Increase) decrease in prepaids	(4,213)	(209,118)	(340,000)	-	(553,331)
(Increase) decrease in payables	939,559	136,815	329,294	47,422	1,453,090
(Increase) decrease in liabilities	(47,540)	(34,220)	-	371,948	290,188
Net cash provided by operating activities	\$ 4,363,758	\$ 2,251,747	\$ 2,278,987	\$ 380,520	\$ 9,275,012

## **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
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,383,787	\$ 1,058,225	\$ 2,442,012
Accounts receivable (net of allowance)	792,646	101,783	894,429
Total current assets	<u>2,176,433</u>	<u>1,160,008</u>	<u>3,336,441</u>
Noncurrent assets			
Net pension asset	22,217	-	22,217
Investments in joint ventures	8,327,809	-	8,327,809
Total noncurrent assets	<u>8,350,026</u>	<u>-</u>	<u>8,350,026</u>
Total assets	<u>10,526,459</u>	<u>1,160,008</u>	<u>11,686,467</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension costs	34,156	-	34,156
Total deferred outflows of resources	<u>34,156</u>	<u>-</u>	<u>34,156</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	935,429	20,438	955,867
Accrued liabilities	8,096	-	8,096
Compensated absences	9,345	-	9,345
Total current liabilities	<u>952,870</u>	<u>20,438</u>	<u>973,308</u>
Noncurrent liabilities			
Compensated absences	11,701	-	11,701
Net pension payable	18,883	-	18,883
Total noncurrent liabilities	<u>30,584</u>	<u>-</u>	<u>30,584</u>
Total liabilities	<u>983,454</u>	<u>20,438</u>	<u>1,003,892</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension gains	2,466	-	2,466
Total deferred Inflows of resources	<u>2,466</u>	<u>-</u>	<u>2,466</u>
<b>NET POSITION</b>			
Unrestricted	9,574,695	1,139,570	10,714,265
Total net position	<u>\$ 9,574,695</u>	<u>\$ 1,139,570</u>	<u>\$ 10,714,265</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	\$ 6,544,045	\$ 911,118	\$ 7,455,163
Other	1,540	10,350	11,890
Total operating revenues	<u>6,545,585</u>	<u>921,468</u>	<u>7,467,053</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	214,188	-	214,188
Administrative fees	529,331	-	529,331
Operations and maintenance	5,361,063	797,831	6,158,894
Total operating expenses	<u>6,104,582</u>	<u>797,831</u>	<u>6,902,413</u>
Operating income (loss)	<u>441,003</u>	<u>123,637</u>	<u>564,640</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	40,974	34,020	74,994
Equity in income of joint venture	709,196	-	709,196
Total nonoperating revenues (expenses)	<u>750,170</u>	<u>34,020</u>	<u>784,190</u>
Income (loss) before contributions and transfers	1,191,173	157,657	1,348,830
Transfers out	-	(39,000)	(39,000)
Change in net position	<u>1,191,173</u>	<u>118,657</u>	<u>1,309,830</u>
Total net position, beginning	<u>8,383,522</u>	<u>1,020,913</u>	<u>9,404,435</u>
Total net position, ending	<u>\$ 9,574,695</u>	<u>\$ 1,139,570</u>	<u>\$ 10,714,265</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	\$ 6,385,659	\$ 897,082	\$ 7,282,741
Payments to suppliers of goods and services	(4,847,670)	(804,913)	(5,652,583)
Payments to employees for services	(224,596)	-	(224,596)
Payment for interfund services	(529,331)	-	(529,331)
Net cash provided (used) by operating activities	<u>784,062</u>	<u>92,169</u>	<u>876,231</u>
Cash flows from noncapital financing activities			
Transfers to other funds	-	(39,000)	(39,000)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(39,000)</u>	<u>(39,000)</u>
Cash flows from investing activities			
Investment income	40,974	34,020	74,994
Net cash provided by investing activities	<u>40,974</u>	<u>34,020</u>	<u>74,994</u>
Net increase (decrease) in cash and cash equivalents	825,036	87,189	912,225
Cash and cash equivalents - beginning of year	558,751	971,036	1,529,787
Cash and cash equivalents - end of year	<u>\$ 1,383,787</u>	<u>\$ 1,058,225</u>	<u>\$ 2,442,012</u>
Operating income (loss)	\$ 441,003	\$ 123,637	\$ 564,640
(Increase) decrease in receivables	(159,926)	(24,386)	(184,312)
(Increase) decrease in payables	513,124	(7,082)	506,042
(Increase) decrease in liabilities	(10,139)	-	(10,139)
Net cash provided by operating activities	<u>\$ 784,062</u>	<u>\$ 92,169</u>	<u>\$ 876,231</u>

**STATISTICAL SECTION**



**For Fiscal Year Ended June 30, 2023**

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.





*West Jordan Police Officer*



**SCHEDULE 1 - NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

*Accrual basis of accounting*

(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net investment in capital assets	\$ 260,066	\$ 259,058	\$ 269,724	\$ 267,165	\$ 289,376	\$ 294,646	\$ 311,651	\$ 328,913	\$ 329,856	\$ 343,354
Restricted	19,888	20,911	18,571	43,553	30,655	21,247	22,526	26,193	27,439	32,432
Unrestricted	28,212	22,568	15,757	14,999	10,699	25,973	26,612	46,710	81,443	88,578
<b>Total governmental net position</b>	<b>308,166</b>	<b>302,537</b>	<b>304,052</b>	<b>325,717</b>	<b>330,730</b>	<b>341,866</b>	<b>360,789</b>	<b>401,816</b>	<b>438,738</b>	<b>464,364</b>
<b>Business-type activities</b>										
Net investment in capital assets	150,965	159,663	168,604	174,147	193,305	204,278	217,291	227,173	230,103	233,214
Restricted	3,860	1,073	5,490	3,779	9,919	7,441	7,853	5,335	5,236	17,492
Unrestricted	29,816	31,167	23,932	26,113	10,621	14,519	21,205	30,937	46,653	52,864
<b>Total business-type net position</b>	<b>184,641</b>	<b>191,903</b>	<b>198,026</b>	<b>204,039</b>	<b>213,845</b>	<b>226,238</b>	<b>246,349</b>	<b>263,445</b>	<b>281,992</b>	<b>303,570</b>
<b>Primary government</b>										
Net investment in capital assets	411,031	418,721	438,328	441,312	482,681	498,924	528,942	556,086	559,959	576,568
Restricted	23,748	21,984	24,061	47,332	40,574	28,688	30,379	31,528	32,675	49,924
Unrestricted	58,028	53,735	39,689	41,112	21,320	40,492	47,817	77,647	128,096	141,442
<b>Total primary government net position</b>	<b>\$ 492,807</b>	<b>\$ 494,440</b>	<b>\$ 502,078</b>	<b>\$ 529,756</b>	<b>\$ 544,575</b>	<b>\$ 568,104</b>	<b>\$ 607,138</b>	<b>\$ 665,261</b>	<b>\$ 720,730</b>	<b>\$ 767,934</b>

**SCHEDULE 2 - CHANGE IN NET POSITION**  
**Last Ten Fiscal Years**

*Accrual basis of accounting*  
 (Amounts expressed in millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities										
General government	\$ 10.69	\$ 7.93	\$ 8.59	\$ 8.22	\$ 8.44	\$ 9.87	\$ 10.33	\$ 8.78	\$ 7.80	\$ 9.74
Community development	3.83	2.96	2.89	3.57	4.16	4.38	12.55	4.63	5.05	7.96
Public safety	24.52	24.02	28.61	30.17	30.16	33.47	33.84	31.21	31.28	37.65
Highways and public improvements	14.18	14.00	16.19	13.78	22.29	17.79	10.85	17.44	17.52	20.76
Parks, recreation, and culture	4.14	4.06	4.24	5.56	5.54	6.35	5.69	4.86	6.53	7.52
Debt service - interest and fiscal charges	0.80	0.63	0.66	1.35	1.57	1.01	1.27	1.13	1.00	0.93
Total governmental expenses	<u>58.16</u>	<u>53.60</u>	<u>61.18</u>	<u>62.65</u>	<u>72.16</u>	<u>72.87</u>	<u>74.53</u>	<u>68.05</u>	<u>69.18</u>	<u>84.56</u>
Business-type activities										
Water	15.13	16.11	17.44	19.96	19.45	21.24	22.15	23.07	19.96	23.85
Sewer	7.61	8.00	8.02	8.05	9.10	9.69	11.32	10.07	12.39	12.35
Solid waste	3.64	4.07	4.14	4.44	4.29	4.52	4.87	4.95	5.00	5.33
Storm water	1.98	2.01	2.74	2.73	3.30	4.03	3.95	4.91	4.44	4.45
Streetlight	-	-	-	0.59	0.32	0.29	0.43	1.06	0.84	0.80
Total business-type activities expenses	<u>28.36</u>	<u>30.19</u>	<u>32.34</u>	<u>35.77</u>	<u>36.46</u>	<u>39.77</u>	<u>42.72</u>	<u>44.06</u>	<u>42.63</u>	<u>46.78</u>
Total primary government expenses	<u>\$ 86.52</u>	<u>\$ 83.79</u>	<u>\$ 93.52</u>	<u>\$ 98.42</u>	<u>\$ 108.62</u>	<u>\$ 112.64</u>	<u>\$ 117.25</u>	<u>\$ 112.11</u>	<u>\$ 111.81</u>	<u>\$ 131.34</u>
<b>Program revenues</b>										
Governmental activities										
Charges for services										
General government	\$ 5.61	\$ 2.12	\$ 2.45	\$ 2.17	\$ 2.01	\$ 3.01	\$ 3.02	\$ 3.18	\$ 3.16	\$ 3.28
Community development	2.33	2.34	2.73	3.50	3.45	3.60	5.33	4.98	5.09	6.75
Public safety	2.27	2.47	2.95	2.77	3.30	2.53	2.44	2.61	3.17	2.86
Highways & public improvements	1.26	1.26	1.08	0.85	0.57	1.45	2.92	2.10	2.43	1.65
Parks, recreation, and culture	0.26	0.26	0.24	0.26	0.32	2.02	2.52	2.23	2.26	0.98
Operating grants and contributions	3.70	3.99	4.23	4.47	4.56	6.16	9.20	11.71	17.19	7.77
Capital grants & contributions	13.96	3.11	5.18	24.00	12.32	13.75	11.83	16.92	4.25	12.75
Total governmental program revenues	<u>29.39</u>	<u>15.55</u>	<u>18.86</u>	<u>38.02</u>	<u>26.53</u>	<u>32.52</u>	<u>37.26</u>	<u>43.73</u>	<u>37.55</u>	<u>36.04</u>
Business-type activities										
Charges for services										
Water	16.48	15.78	16.08	17.26	18.85	23.55	30.01	32.11	28.67	28.32
Sewer	8.35	8.49	8.12	8.81	9.34	10.85	12.83	13.97	14.82	14.80
Solid waste	4.03	4.14	4.03	4.23	4.50	4.93	5.41	5.84	6.26	6.54
Storm water	1.87	1.78	2.17	2.97	3.14	4.98	7.52	6.36	6.03	7.79
Streetlight	-	-	-	0.73	0.71	0.72	0.75	0.77	0.83	0.92
Operating grants and contributions	-	3.19	2.35	0.18	0.06	-	-	-	-	-
Capital grants & contributions	3.84	2.62	4.03	7.12	9.24	6.56	5.87	4.43	10.21	10.33
Total business-type program revenues	<u>34.57</u>	<u>36.00</u>	<u>36.78</u>	<u>41.30</u>	<u>45.84</u>	<u>51.59</u>	<u>62.39</u>	<u>63.48</u>	<u>66.82</u>	<u>68.70</u>
Total primary government program revenues	<u>\$ 63.96</u>	<u>\$ 51.55</u>	<u>\$ 55.64</u>	<u>\$ 79.32</u>	<u>\$ 72.37</u>	<u>\$ 84.11</u>	<u>\$ 99.65</u>	<u>\$ 107.21</u>	<u>\$ 104.37</u>	<u>\$ 104.74</u>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (28.77)	\$ (38.05)	\$ (42.32)	\$ (24.63)	\$ (45.63)	\$ (40.35)	\$ (37.27)	\$ (24.32)	\$ (31.63)	\$ (48.52)
Business-type activities	6.21	5.81	4.44	5.53	9.38	11.82	19.67	19.42	24.19	21.92
Total primary government net expense	<u>\$ (22.56)</u>	<u>\$ (32.24)</u>	<u>\$ (37.88)</u>	<u>\$ (19.10)</u>	<u>\$ (36.25)</u>	<u>\$ (28.53)</u>	<u>\$ (17.60)</u>	<u>\$ (4.90)</u>	<u>\$ (7.44)</u>	<u>\$ (26.60)</u>
<b>General revenues &amp; other changes in net position</b>										
Governmental activities										
Taxes										
Sales taxes	\$ 15.98	\$ 16.85	\$ 17.37	\$ 18.58	\$ 19.92	\$ 20.93	\$ 24.67	\$ 29.01	\$ 32.79	\$ 33.60
Property taxes	13.67	13.39	13.75	13.95	14.06	16.73	17.46	18.09	19.34	20.53
Tax increment	3.40	3.83	3.98	3.77	3.71	4.02	4.26	4.34	4.16	3.75
Franchise taxes	8.11	7.87	7.81	7.93	7.65	7.46	7.38	7.55	8.18	9.39
Investment income	0.21	0.20	0.30	0.52	0.82	1.45	1.01	0.34	0.42	3.79
Gain/(loss) on sale & disposal of assets	0.03	0.72	0.28	0.42	4.07	0.18	0.03	0.09	0.01	0.02
Miscellaneous	0.95	0.55	0.82	0.49	0.36	0.72	1.37	0.29	0.89	0.73
Transfers - net	0.08	(1.95)	0.05	(0.01)	0.05	-	-	2.47	2.57	2.34
Total governmental activities	<u>42.43</u>	<u>41.46</u>	<u>44.36</u>	<u>45.65</u>	<u>50.64</u>	<u>51.49</u>	<u>56.18</u>	<u>62.18</u>	<u>68.36</u>	<u>74.15</u>
Business-type activities										
Investment income	0.12	0.11	0.18	0.28	0.48	0.57	0.42	0.14	0.20	2.02
Gain/(loss) on sale & disposal of assets	-	-	-	-	-	-	0.01	-	-	-
Transfers - net	(0.08)	1.95	(0.05)	0.01	(0.05)	-	-	(2.47)	(2.57)	(2.34)
Total business-type activities	<u>0.04</u>	<u>2.06</u>	<u>0.13</u>	<u>0.29</u>	<u>0.43</u>	<u>0.57</u>	<u>0.43</u>	<u>(2.33)</u>	<u>(2.37)</u>	<u>(0.32)</u>
Total primary government	<u>\$ 42.47</u>	<u>\$ 43.52</u>	<u>\$ 44.49</u>	<u>\$ 45.94</u>	<u>\$ 51.07</u>	<u>\$ 52.06</u>	<u>\$ 56.61</u>	<u>\$ 59.85</u>	<u>\$ 65.99</u>	<u>\$ 73.83</u>
<b>Change in net position</b>										
Governmental activities	\$ 13.66	\$ 3.41	\$ 2.04	\$ 21.02	\$ 5.01	\$ 11.14	\$ 18.91	\$ 37.86	\$ 36.73	\$ 25.63
Business-type activities	6.25	7.87	4.57	5.82	9.81	12.39	20.10	17.09	21.82	21.60
Total primary government	<u>\$ 19.91</u>	<u>\$ 11.28</u>	<u>\$ 6.61</u>	<u>\$ 26.84</u>	<u>\$ 14.82</u>	<u>\$ 23.53</u>	<u>\$ 39.01</u>	<u>\$ 54.95</u>	<u>\$ 58.55</u>	<u>\$ 47.23</u>

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

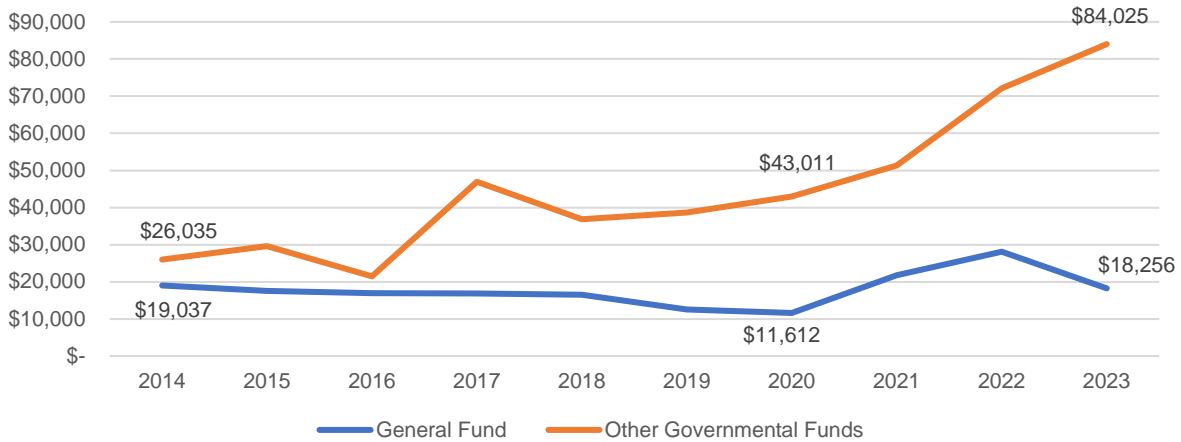


**SCHEDULE 3 - FUND BALANCE, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

*Accrual basis of accounting*  
 (Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General fund</b>										
Nonspendable	\$ 161	\$ 164	\$ 167	\$ 57	\$ 109	\$ 482	\$ -	\$ 800	\$ 158	\$ 214
Restricted	5,794	5,233	6,502	6,042	4,951	-	6	-	254	51
Assigned	568	770	893	47	148	-	-	-	-	-
Unassigned	12,514	11,362	9,425	10,692	11,345	12,053	11,606	20,928	27,702	17,991
<b>Total General Fund</b>	<b>\$ 19,037</b>	<b>\$ 17,529</b>	<b>\$ 16,987</b>	<b>\$ 16,838</b>	<b>\$ 16,553</b>	<b>\$ 12,535</b>	<b>\$ 11,612</b>	<b>\$ 21,728</b>	<b>\$ 28,114</b>	<b>\$ 18,256</b>
<b>All other governmental funds</b>										
Nonspendable	-	-	-	689	653	644	-	1,078	7,703	360
Restricted	14,094	15,678	12,069	37,747	23,797	20,812	21,893	26,112	26,715	26,641
Committed	500	-	-	-	-	-	-	-	-	-
Assigned	11,501	13,970	9,406	10,069	18,386	22,115	21,118	24,211	37,681	57,024
Unassigned	(60)	-	-	(1,580)	(6,006)	(4,863)	-	(90)	-	-
<b>Total all other governmental funds</b>	<b>\$ 26,035</b>	<b>\$ 29,648</b>	<b>\$ 21,475</b>	<b>\$ 46,925</b>	<b>\$ 36,830</b>	<b>\$ 38,708</b>	<b>\$ 43,011</b>	<b>\$ 51,311</b>	<b>\$ 72,099</b>	<b>\$ 84,025</b>
<b>Total governmental fund balances</b>	<b>\$ 45,072</b>	<b>\$ 47,177</b>	<b>\$ 38,462</b>	<b>\$ 63,763</b>	<b>\$ 53,383</b>	<b>\$ 51,243</b>	<b>\$ 54,623</b>	<b>\$ 73,039</b>	<b>\$ 100,213</b>	<b>\$ 102,281</b>

*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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes & special assessments	\$ 41,156	\$ 41,931	\$ 43,077	\$ 44,279	\$ 45,354	\$ 49,145	\$ 53,770	\$ 58,988	\$ 64,457	\$ 67,270
Licenses & permits	2,135	2,393	2,762	2,797	2,888	2,725	4,159	4,032	4,390	5,463
Intergovernmental	4,920	4,904	5,590	6,089	5,818	9,445	11,275	14,139	18,038	14,344
Administrative fees	3,913	-	-	-	-	-	-	-	-	-
Charges for services	4,402	4,624	4,882	3,111	3,664	5,594	5,520	5,532	6,271	6,690
Fines & forfeitures	1,478	1,482	1,366	1,283	1,163	1,143	1,157	1,123	1,000	1,101
Impact fees	1,868	2,641	2,686	3,479	4,916	3,207	5,556	4,147	4,395	2,176
Miscellaneous	538	99	238	821	827	716	1,371	293	886	731
Investment Income	232	204	307	612	949	1,454	1,012	335	423	3,789
<b>Total revenues</b>	<b>60,642</b>	<b>58,278</b>	<b>60,908</b>	<b>62,471</b>	<b>65,579</b>	<b>73,429</b>	<b>83,820</b>	<b>88,589</b>	<b>99,860</b>	<b>101,564</b>
<b>Expenditures</b>										
General government	10,210	8,489	9,086	7,789	8,208	9,200	10,778	9,459	9,084	11,100
Community development	3,925	3,095	2,714	3,523	4,120	4,333	5,211	4,790	5,530	8,289
Public safety	24,143	26,155	28,397	28,671	29,753	31,652	32,771	32,367	34,983	39,947
Highways & public improvements	5,356	4,897	5,739	4,943	5,409	11,306	10,814	10,628	11,019	14,491
Parks, recreation, and culture	2,910	3,088	2,744	3,682	3,710	4,285	4,492	3,830	5,024	6,220
Capital outlay	16,094	12,237	16,646	12,620	40,473	10,246	13,829	4,600	5,827	16,725
Debt service										
Principal	10,851	2,657	3,218	2,738	2,424	3,230	5,600	5,605	2,611	3,980
Interest	792	550	584	1,080	1,579	1,494	1,471	1,359	1,195	1,106
<b>Total expenditures</b>	<b>74,281</b>	<b>61,168</b>	<b>69,128</b>	<b>65,046</b>	<b>95,676</b>	<b>75,746</b>	<b>84,966</b>	<b>72,638</b>	<b>75,273</b>	<b>101,858</b>
Excess of revenues over (under) expenditures	(13,639)	(2,890)	(8,220)	(2,575)	(30,097)	(2,317)	(1,146)	15,951	24,587	(294)
<b>Other financing sources (uses)</b>										
Issuance of debt	10,595	6,530	-	27,275	-	-	4,500	-	-	-
State funding	9,900	-	-	-	-	-	-	-	-	-
Lease financing	-	135	-	-	-	-	-	-	-	-
Developer contributions	683	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	165	5	-	19,718	177	26	-	8	24
Transfers in	11,684	11,587	3,032	4,784	11,549	8,402	7,797	7,290	19,977	17,735
Transfers out	(14,854)	(13,587)	(3,032)	(4,839)	(11,549)	(8,402)	(7,797)	(4,823)	(17,402)	(15,397)
<b>Total other financing sources (uses)</b>	<b>18,008</b>	<b>4,830</b>	<b>5</b>	<b>27,220</b>	<b>19,718</b>	<b>177</b>	<b>4,526</b>	<b>2,467</b>	<b>2,583</b>	<b>2,362</b>
<b>Net change in fund balances</b>	<b>\$ 4,369</b>	<b>\$ 1,940</b>	<b>\$ (8,215)</b>	<b>\$ 24,645</b>	<b>\$ (10,379)</b>	<b>\$ (2,140)</b>	<b>\$ 3,380</b>	<b>\$ 18,418</b>	<b>\$ 27,170</b>	<b>\$ 2,068</b>
Debt service as a % of noncapital expenditures	20.01%	6.55%	7.24%	7.28%	7.25%	7.21%	9.94%	10.24%	5.48%	5.97%

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



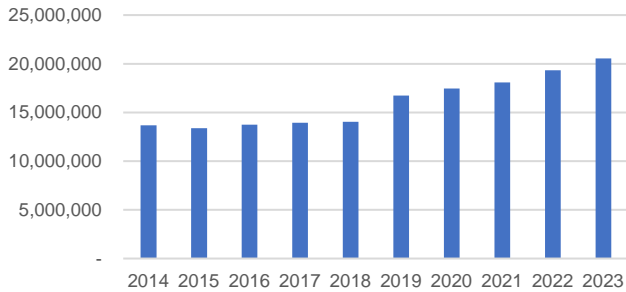
**SCHEDULE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**

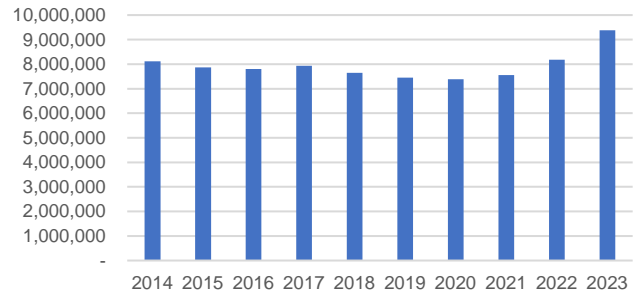
*Accrual basis of accounting*

Fiscal Year	Property Tax	Fees-in-lieu of property tax	Tax Increment	Sales Tax	Franchise Tax	Total
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
2023	19,485,881	1,047,105	3,750,574	33,600,667	9,386,413	67,270,640

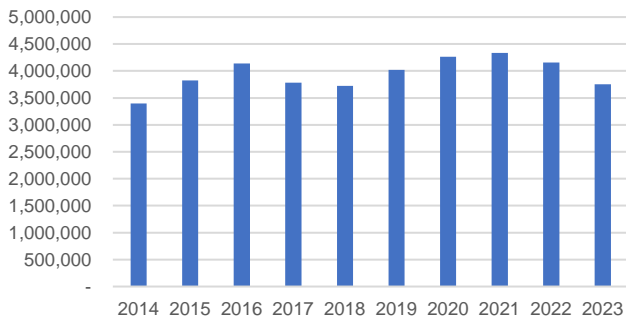
Property Tax & Fee-in-lieu



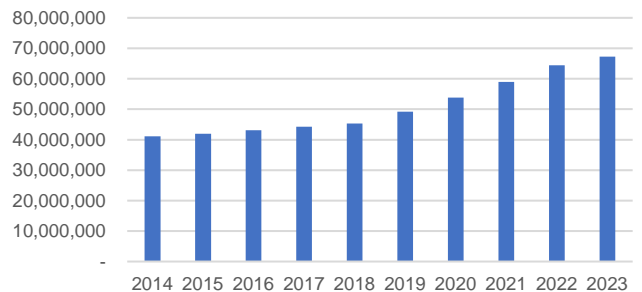
Franchise Tax



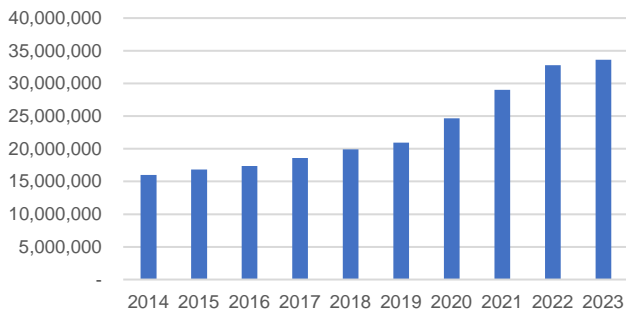
Tax Increment



Total Tax Revenues Governmental Activities



Sales Tax\*



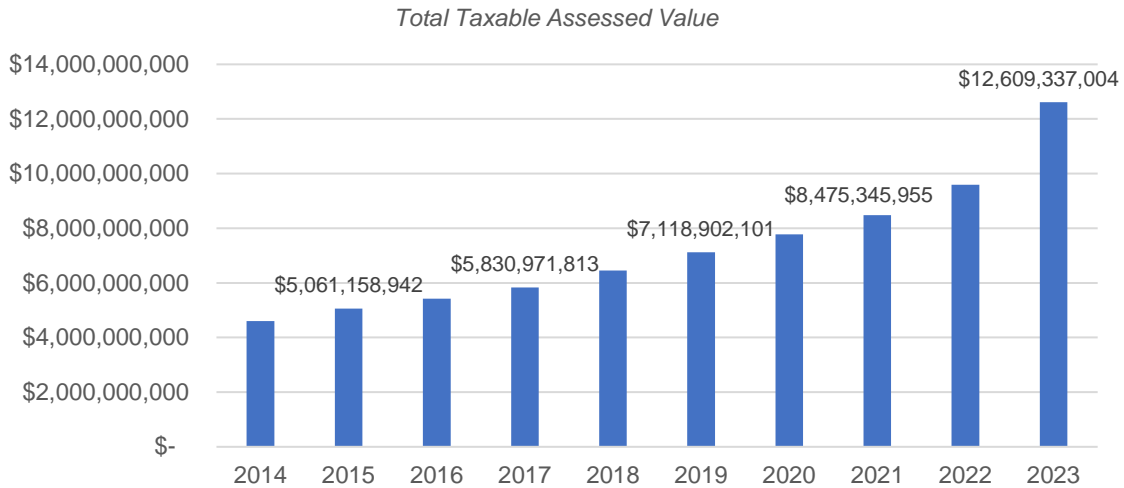


**SCHEDULE 6 - ASSESSED VALUE AND ESTIMATED ACCRUAL VALUE OF TAXABLE PROPERTY  
 Last Ten Fiscal Years**

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
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%
2023	6,541,855,958	3,918,355,933	2,149,125,113	12,609,337,004	0.001476	15,812,639,493	79.74%

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](http://www.taxrates.utah.gov))



**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
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%	186,515	12,821,614	102.74%
2018	12,749,435	12,802,407	100.42%	158,814	12,961,221	101.66%
2019	15,185,183	15,311,700	100.83%	97,863	15,409,563	101.48%
2020	15,564,849	16,111,950	103.51%	185,291	16,297,241	104.71%
2021	16,102,690	16,692,561	103.66%	285,774	16,978,335	105.44%
2022	17,158,829	17,041,654	99.32%	182,373	17,224,027	100.38%
2023	18,627,622	18,246,735	97.96%	377,217	18,623,952	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

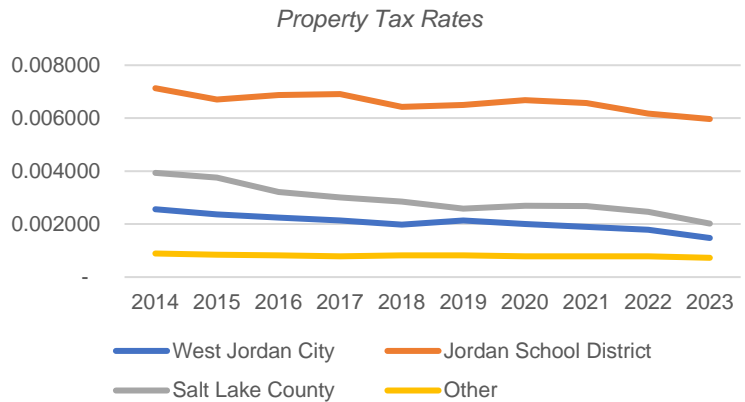
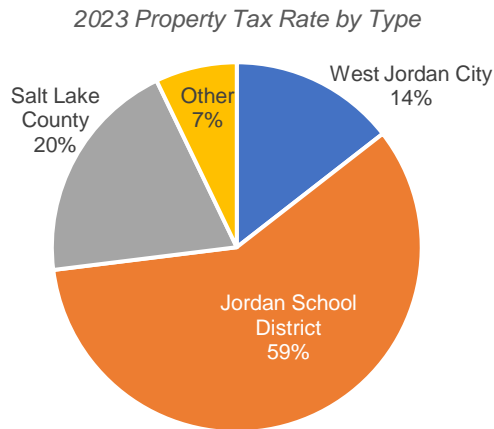


**SCHEDULE 8 – DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 Last Ten Fiscal Years**

Fiscal Year	Direct City Rates			Overlapping Rates			
	Operations	Debt Service	Total City Direct Rate	Jordan School District	Salt Lake County	Other	Total
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
2023	0.001416	0.000060	0.001476	0.005968	0.002020	0.000728	0.010192

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



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

Taxpayer	2023			2014		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
JL FB Investors LLC <sup>1,2</sup>	\$ 233,161,600	1	1.8%	\$ 130,541,430	1, 7	2.8%
VAST SLC Campus, LLC	186,164,100	2	1.5%		NEW	
Aligned Energy Data Centers	179,633,700	3	1.4%		NEW	
Lonestar SLC I, LLC	158,438,700	4	1.3%		NEW	
Oracle America Inc	100,601,200	5	0.8%	35,129,800	4	0.8%
Eastgate at Greyhawk LLC	91,138,355	6	0.7%		NEW	
MPT of West Jordan-Steward Property, LLC <sup>1</sup>	83,883,600	7	0.7%	44,212,500	2	1.0%
Serengeti Springs LTD	76,294,979	8	0.6%	18,678,930	8	0.4%
Maps 7001 New Bingham Highway	74,347,700	9	0.6%		NEW	
Willowcove International LLC	72,691,630	10	0.6%	29,231,180	6	0.6%
The Boeing Company	68,607,100	11	0.5%	34,112,600	5	0.7%
Mountain America Credit Union	62,743,500	13	0.5%	37,171,300	3	0.8%
Wilshire LLC	41,953,395	24	0.3%	17,283,365	10	0.4%
Wal-Mart Stores Inc	23,933,300	37	0.2%	17,452,500	9	0.4%
	<u>\$1,453,592,859</u>		<u>11.5%</u>	<u>\$ 363,813,605</u>		<u>7.9%</u>

Note: <sup>1</sup> Current taxpayer listed, 2014 comparison based on exact same property but different taxpayer.

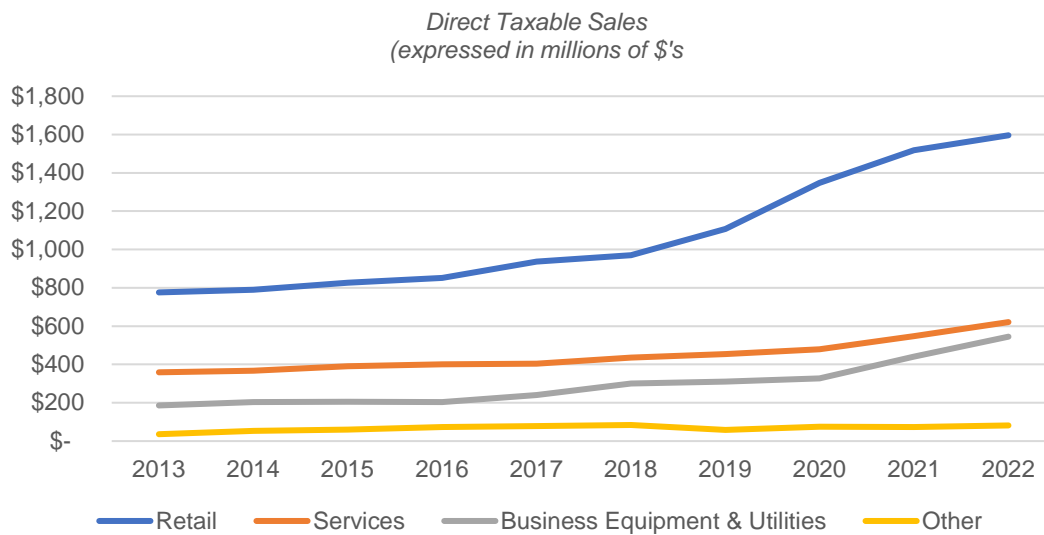
<sup>2</sup> 2023 combines properties of this taxpayer listed under separate names; previous separate rankings for 2014 were #1 and #7.

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
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%
2022	1,595,675,038	621,343,350	544,974,000	80,612,030	2,842,604,418	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
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%
2023	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	2023			2014		
	Sales Tax <sup>1</sup>	Rank	Percentage of Total Sales Tax	Sales Tax <sup>1</sup>	Rank	Percentage of Total Sales Tax
Smiths	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
Sam's Club	N/A	4	N/A	N/A	4	N/A
Sysco Intermountain	N/A	5	N/A	N/A	10	N/A
Rocky Mountain Power / Utah Power & Light	N/A	6	N/A	N/A	3	N/A
Home Depot	N/A	7	N/A	N/A	7	N/A
Builders FirstSource / BMC West <sup>2</sup>	N/A	8	N/A	N/A	8	N/A
LKL Associates Inc	N/A	9	N/A	N/A		N/A
Lowe's	N/A	10	N/A	N/A	9	N/A
SME Industries	N/A	11	N/A	N/A	5	N/A
Target	N/A	13	N/A	N/A	6	N/A
<b>Total</b>	<b>\$ 9,864,340</b>		<b>29.36%</b>	<b>\$ 4,798,957</b>		<b>30.04%</b>

<sup>1</sup> Sales tax information is considered proprietary and cannot be shown by individual payer.

<sup>2</sup> Builders FirstSource and BMC combined in 2021 under the name Builders FirstSource. The BMC ranking for 2014 was #8.

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	Leases Payable	Contracts Payable	Unamortized Premiums (Discounts)	Revenue Bonds	Unamortized Premiums (Discounts)			
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
2023	1,440,000	21,440,000	1,599,597	-	827,846	7,970,000	752,037	34,029,480	0.44%	285

<sup>1</sup> 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
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
2023	1,440,000	12,609,337,004	0.01%	119,401	12

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

Governmental Unit Taxing Entity	2022 Taxable Value	West Jordan City's Portion of Taxable Value	City's Percentage	Debt Outstanding	City's Portion of Overlapping Debt
<b>Overlapping:</b>					
Salt Lake County General Obligation Debt <sup>1</sup>	\$ 178,148,428,220	\$ 12,609,337,004	7.1%	\$ 125,452,633	\$ 8,879,531
Central Utah Water Conservancy District <sup>2</sup>	159,446,905,150	12,609,337,004	7.9%	160,525,435	12,694,629
Jordan School District <sup>3</sup>	33,050,613,396	12,609,337,004	38.2%	185,555,000	70,792,197
Total overlapping debt					<u>92,366,357</u>
<b>Direct:</b>					
General Obligation Bonds					1,440,000
Revenue Bonds					21,440,000
Leases					1,599,597
Contracts Payable					-
Unamortized Premiums (Discounts)					827,846
Total direct debt					<u>25,307,443</u>
Total direct and overlapping debt					<u>\$ 117,673,800</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: <sup>1</sup> Salt Lake County Annual Comprehensive Financial Report for year ended June 30, 2022  
<sup>2</sup> Central Utah Water Conservancy District Annual Financial Report for year ended June 30, 2022  
<sup>3</sup> Jordan School District Annual Financial Report for year ended June 30, 2022



**SCHEDULE 16 – LEGAL DEBT MARGIN**  
**Last Ten Fiscal Years**

(Amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General (4% Fair Cash Value)	\$ 285,547	\$ 304,733	\$ 332,159	\$ 355,303	\$ 378,585	\$ 419,260	\$ 475,999	\$ 515,147	\$ 588,040	\$ 775,401
Water and Sewer (4% Fair Cash Value)	285,547	304,733	332,159	355,303	378,585	419,260	475,999	515,147	588,040	775,401
Total 8% Debt Limit	571,094	609,466	664,318	710,606	757,171	838,521	951,999	1,030,294	1,176,080	1,550,802
Total Net Debt Applicable to Limit	7,260	6,665	6,045	5,420	4,785	4,140	3,485	2,815	2,135	1,440
Legal Debt Margin	\$ 563,834	\$ 602,801	\$ 658,273	\$ 705,186	\$ 752,386	\$ 834,381	\$ 948,514	\$ 1,027,479	\$ 1,173,945	\$ 1,549,362
Total net debt applicable to the limit as a % of the debt limit	1.27%	1.09%	0.91%	0.76%	0.63%	0.49%	0.37%	0.27%	0.18%	0.09%

**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	
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
2023	33,600,667	1,040,000	21,407	31.66

Tax Increment				
Fiscal Year	Tax Increment Revenue	Debt Service		Coverage
		Principal	Interest	
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
2023	3,750,574	-	-	N/A

HUD Contract				
Fiscal Year	Community Development Block Grant Revenue	Debt Service		Coverage
		Principal	Interest	
2014	\$ 514,068	\$ 125,000	\$ 23,886	3.45
2015	500,955	130,000	21,879	3.30
2016	455,691	135,000	19,224	2.95
2017	684,322	140,000	15,877	4.39
2018	553,442	145,000	11,905	3.53
2019	496,699	150,000	7,455	3.15
2020	554,676	155,000	2,557	3.52
2021	394,948	-	-	N/A
2022	828,250	-	-	N/A
2023	846,122	-	-	N/A

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 <sup>1</sup>	Less Utility Expenses <sup>2</sup>	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
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	690,000	291,200	12.89
2023	29,054,110	20,791,482	8,262,628	715,000	263,600	8.44

Storm Drain Revenue Bonds						
Fiscal Year	Utility Revenues <sup>1</sup>	Less Utility Expenses <sup>2</sup>	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2023	8,263,640	3,226,548	5,037,092	670,000	53,365	6.96

Notes: Details regarding the City's outstanding debt can be found in Note 13 of the Notes to the Financial Statements.  
<sup>1</sup> Revenues include interest and impact fees  
<sup>2</sup> 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 <sup>1</sup>	Personal Income <sup>1</sup>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>3</sup>
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	7,729,698,366	66,326	2.0%
2023	119,401	7,771,214,085	65,085	2.4%

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

**SCHEDULE 20 – PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

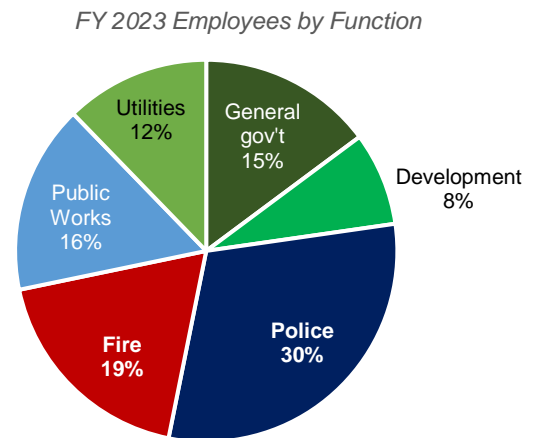
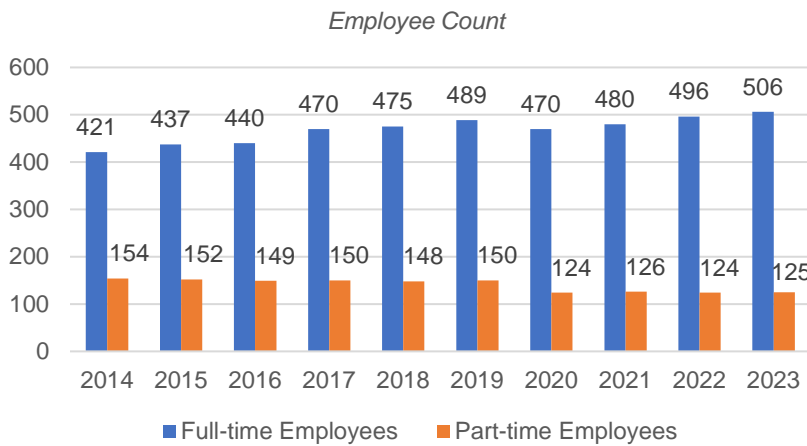
	2023 <sup>1</sup>			2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Jordan School District	4,113	1	6.86%	3,292	1	5.79%
Amazon	1,242	2	2.07%			
Smith's Food and Drug	763	3	1.27%	461	4	0.81%
CommonSpirit – Holy Cross Hospital	670	4	1.12%	625	2	1.10%
West Jordan City	667	5	1.11%	568	3	1.00%
Sysco Intermountain Food Services	407	6	0.68%	410	5	0.72%
Snugz USA Inc	392	7	0.65%			
SME Industries	375	8	0.63%	375	8	0.66%
Wal-Mart	372	9	0.62%	372	9	0.65%
Mountain America Credit Union	275	10	0.46%	358	7	0.63%
Fairchild Semi-conductor				404	6	0.71%
Target				246	10	0.43%
	<u>9,276</u>		<u>15.47%</u>	<u>7,111</u>		<u>12.50%</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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	68	72	73	66	67	67	65	65	73	73
Community development	21	23	25	38	39	39	38	38	40	40
Public safety										
Police	147	146	146	152	152	157	152	152	152	154
Fire	85	85	85	86	86	95	93	93	93	94
Highways & public improvements	46	48	48	55	55	55	45	45	44	48
Parks, recreation and culture	15	16	16	17	17	17	16	16	18	24
Fleet management	6	8	8	8	8	8	9	9	9	9
Risk management	0	0	0	0	0	0	1	1	2	2
Water	18	20	20	19	19	19	19	27	28	28
Sewer	10	12	12	12	15	15	15	16	16	16
Solid Waste	1	1	1	2	2	2	2	3	3	3
Storm Water	4	6	6	15	15	15	15	15	15	15
<b>Total Full Time Equivalent Employees</b>	<b>421</b>	<b>437</b>	<b>440</b>	<b>470</b>	<b>475</b>	<b>489</b>	<b>470</b>	<b>480</b>	<b>493</b>	<b>506</b>
Seasonal (Part Time) Employees	154	152	149	150	148	150	124	126	124	125
<b>Total Employees</b>	<b>575</b>	<b>589</b>	<b>589</b>	<b>620</b>	<b>623</b>	<b>639</b>	<b>594</b>	<b>606</b>	<b>617</b>	<b>631</b>

Source: West Jordan Adopted Budgets



**SCHEDULE 22 – OPERATING INDICATORS**  
**Last Ten Fiscal Year**

<u>Function/Program</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community development										
Residential building permits issued	809	965	1,406	2,003	1,644	1,490	1,859	2,009	1,891	1,456
Commercial building permits issued	197	229	226	237	277	298	208	236	249	209
Police										
Calls for service	60,017	64,291	64,019	60,645	57,662	59,048	61,632	59,848	65,123	67,811
Arrests	2,981	2,900	3,677	2,846	2,474	2,846	3,068	2,337	3,577	3,663
Fire										
Medical responses	3,902	4,341	4,191	4,950	5,523	5,317	4,777	5,569	6,095	5,776
Fire responses	1,760	1,934	1,059	1,280	1,434	1,939	1,380	1,594	1,593	1,758
Water										
Customers Residential	20,761	21,055	21,544	21,679	22,050	22,490	22,840	23,078	23,717	23,956
Customers Commercial	1,605	1,657	1,664	1,749	1,755	1,783	1,844	1,917	2,006	2,043
Average daily consumption (in millions of gallons)	18.54	18.49	20.15	19.82	20.78	19.47	19.62	21.17	19.88	18.97
Sewer										
Sewer line miles inspected	20	13	23	27	33	46	89	83	65	86
Sewer line miles cleaned	87	88	111	94	90	50	110	95	104	103

**SCHEDULE 23 – CAPITAL ASSETS**  
**Last Ten Fiscal Years**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police</b>										
Patrol units <sup>1</sup>	77	49	29	13	13	12	12	59	108	152
<b>Fire</b>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	6	6	6	6	6	6	6	7	7	7
Ambulances	5	5	5	6	6	5	5	5	5	5
<b>Public works</b>										
Streets (miles)	334	336	339	343	347	351	355	357	357	369
<b>Parks &amp; recreation</b>										
Acreage	348	354	354	342	347	353	353	353	374	374
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	13
Soccer fields	20	20	20	20	18	18	19	19	19	19
<b>Water</b>										
Storage capacity (millions of gallons)	30.5	37.5	37.5	37.5	37.5	41.5	45.5	45.5	46.5	46.5

Notes:

<sup>1</sup> 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





*West Jordan City Hall*

**CITY OF WEST JORDAN  
WEST JORDAN, UTAH**

**SUPPLEMENTARY REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**CITY OF WEST JORDAN  
SUPPLEMENTARY REPORTS  
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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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 29, 2024.

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

**Purpose of this Report**

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

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
February 29, 2024



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, 2023. 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, 2023.

***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 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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated February 29, 2024, 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.

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
February 29, 2024



**CITY OF WEST JORDAN**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

**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 Community Development Block Grant number 14.218 and Coronavirus State and Local Fiscal Recovery Funds number 21.027 .

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.

**CITY OF WEST JORDAN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Federal Award Identification Number	Pass- Through Grantor's Number	Passed Through to Sub- Recipients	Expenditures
<b><u>Department of Housing and Urban Development</u></b>					
Direct Programs:					
CDBG - Entitlement Grants Cluster					
Community Development Block Grant	14.218	B-17-MC-49-0007	N/A	16,787	46,497
Community Development Block Grant	14.218	B-18-MC-49-0007	N/A	-	64,874
Community Development Block Grant	14.218	B-19-MC-49-0007	N/A	15,700	44,205
Community Development Block Grant	14.218	B-20-MC-49-0007	N/A	159,300	203,139
Community Development Block Grant	14.218	B-21-MC-49-0007	N/A		
Community Development Block Grant	14.218	B-22-MC-49-0007	N/A	99,659	202,442
COVID-19 Community Development Block Grant	14.218	B-20-MW-49-0007	N/A	249,741	284,966
Total CDBG - Entitlement Grants Cluster				541,187	846,123
<b>Total Housing and Urban Development</b>				<b>\$ 541,187</b>	<b>\$ 846,123</b>
<b><u>Department of the Treasury</u></b>					
Passed through Salt Lake County, Utah:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	None	-	4,863,429
<b>Total Department of the Treasury</b>				<b>\$ -</b>	<b>\$ 4,863,429</b>
<b><u>Department of Justice</u></b>					
Direct Programs:					
Federal Asset Sharing Program	16.922	UT0180600	N/A	-	1,629
COPS Hiring Program	16.710	2016UMW/X0095	N/A		27,454
Edward Byrne Memorial Justice Assistance 2019	16.738	2019DJBX0259	N/A		15,190
Edward Byrne Memorial Justice Assistance 2020	16.738	2020DJBX0824	N/A		36,684
Edward Byrne Memorial Justice Assistance 2021	16.738	15PBJA-21-GG-01915-JAGX	N/A		9,580
Passed through State of Utah:					
Utah Office for Victims of Crimes (VOCA)	16.575	2019-V2-GX-0063	21/22/VOCA79	-	48,167
Internet Crimes Against Children (ICAC)	16.543	15JDP-21-GK-03803-MECP		-	4,928
<b>Total Department of Justice</b>				<b>\$ -</b>	<b>\$ 143,631</b>
<b><u>Department of Homeland Security</u></b>					
Direct Programs:					
FEMA Fire Prevention and Safety Grant	97.044	EMW-2020-FP-00995	N/A	-	18,409
Passed through State of Utah:					
Emergency Management Performance Grant	97.042	N/A	EMW-2022-EP-00001-S01	-	33,000
FEMA Public Assistance Program	97.082	N/A	PA-08-UT-4548-PW0009	-	32,982
<b>Total Department of Homeland Security</b>				<b>\$ -</b>	<b>\$ 84,390</b>
<b>Total expenditures of federal awards</b>				<b>\$ 541,187</b>	<b>\$ 5,937,573</b>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF WEST JORDAN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2023**

**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, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Public Treasurer's Bond

**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, 2023.

**Basis for Opinion**

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

We are required to be independent of the 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. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

**Auditor's Responsibilities for the Audit of Compliance**

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

the requirements of the government program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 *State Compliance Audit Guide* 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.

#### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Guide and which are described in the accompanying *Schedule of Findings and Recommendations* as items 2023-01 and 2023-02. Our opinion on compliance is not modified with respect to these matters.

*Government Auditing Standards* require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report On Internal Control over Compliance**

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

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

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

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

*K&C, CPAs*

K&C, Certified Public Accountants  
Woods Cross, Utah  
February 29, 2024

**CITY OF WEST JORDAN**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**For The Fiscal Year Ended June 30, 2023**

**2023-01 Budgetary Compliance**

**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.”

**Condition:** It was determined during auditing procedures that two funds’ total expenditures exceeded budgeted amounts. The Grants Fund was over budget by \$75,969 and the Information Technology Fund was over budget by \$1,494,629.

**Cause:** The City incurred more expenditures in the Grants and the Information Technology 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.

**Management Response:** The IT fund was over-budget as a result of the implementation of GASB96 (recognition of a lease). Revenue was also over budget by this same amount. This will be an area we will need to continually monitor going forward.

In the Grants Fund, the police department determined costs were eligible for reimbursement by a grant after year end and therefore, a budget amendment was not possible. This finding may be recurring based on the nature of grant activity. The City’s finance department will continue to foster collaboration with other departments with the goal of compliance.

**2023-02 Cash Management**

**Criteria:** Utah Code 51-7-15(3)(a)(b) states, “A public treasurer shall file a written report with the council on or before January 31 and July 31 of each year. The report shall contain (i) the information about the deposits and investments of that public treasurer during the preceding six months ending December 31 and June 30, respectively, that the council requires by rule.”

**Condition:** It was determined during the auditing procedures that the Zions bank account ending in 2092 with an ending balance of \$18,137.51 was excluded from the Deposit and Investment Report.

**Cause:** A bank account balance was not included on the deposit and Investment report.

**Effect:** The City did not comply with Utah Code 51-7-15(3)(a)(b).

**Recommendation:** We recommend that the City include all deposits and investment accounts on the Deposit and Investment Report.

**Management Response:** The City has corrected this error and included this bank account on their master list of accounts.

**CITY OF WEST JORDAN**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS (Continued)**  
**For The Fiscal Year Ended June 30, 2023**

**Status of Prior Year Findings**

**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.

**Status of Finding**

We did not note a similar finding in the fiscal year ended June 30, 2023. It appears this finding has been resolved.