JORDAN VALLEY WATER CONSERVANCY DISTRICT

BASIC FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Years Ended June 30, 2023 and 2022

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jordan Valley Water Conservancy District
West Jordan, Utah

Opinions

We have audited the accompanying financial statements of Jordan Valley Water Conservancy District ("the District") as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Jordan Valley Water Conservancy District as of June 30, 2023 and 2022, and the change in financial position and where applicable cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our 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 Jordan Valley Water Conservancy District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Jordan Valley Water Conservancy District 's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management's Responsibility for the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives 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.

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Other Information

Management is responsible for the other information included in the supplementary schedules. The other information comprises supplementary schedules as listed in the table of contents. These schedules do not include the basic financial statements and our auditor's report thereon. Our opinions of 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 October 19, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Sincerely,

Gilbert & Stewart

Gilbert & Stewart
Provo, Utah
October 19, 2023

The following is a discussion and analysis of Jordan Valley Water Conservancy District's financial performance providing an overview of the District's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources decreased by $4,442,019.
- Capital assets, net of accumulated depreciation, increased by $29,561,492.
- Total noncurrent liabilities decreased by $15,392,535.
- Net position increased by $17,303,811.
- Operating revenues increased by $2,357,819.
- Operating expenses increased by $6,709,303.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Fund financial statements

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All funds of the District are proprietary funds.

Proprietary funds

The District uses an enterprise fund to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is to recover the costs of providing goods or services to the general public on a continuing basis primarily through user charges.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. This can be descriptions of an underlying policy regarding the amount presented, tables to provide greater detail of an amount, or detailed explanations concerning an amount. The notes are part of the basic financial statements.

Other information

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

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Management's Discussion and Analysis
June 30, 2023 and 2022

FINANCIAL STATEMENT ANALYSIS

Net position

Net position, may serve over time as a useful indicator of a government's financial position. In the case of the District, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $354,415,857 at the close of the most recent fiscal year.

The following is a summary of the District's net position as of June 30:

	2023	2022	2021
Current and other assets	$ 93,353,064	$ 125,934,408	$ 80,920,546
Capital assets, net	578,896,926	549,335,434	546,720,363
Total assets	672,249,990	675,269,842	627,640,909
Deferred outflows of resources	10,770,468	12,192,635	14,846,849
Current liabilities	21,384,264	19,480,183	17,943,938
Noncurrent liabilities	304,635,860	320,028,395	291,357,946
Total liabilities	326,020,124	339,508,578	309,301,884
Deferred inflows of resources	2,584,477	10,841,853	9,295,308
Net position:			
Net investment in capital assets	276,372,126	265,364,743	255,980,870
Restricted	5,293,524	6,042,598	7,912,690
Unrestricted	72,750,207	65,704,705	60,027,006
Total net position	$ 354,415,857	$ 337,112,046	$ 323,920,566

The largest portion of the District's net position (77.98% in 2023, 78.72% in 2022, and 79.03% in 2021) reflects its investment in capital assets (e.g. land, buildings, water systems, equipment, and water rights) less any related debt used to acquire those assets that is still outstanding.

An additional portion of the District's net assets (1.49% in 2023, 1.79% in 2022 and 2.44% in 2021) represents resources that are subject to external restrictions on how they may be used. The restricted balance is for capital projects and debt service reserve accounts.

Another portion of the District's net assets (20.53% in 2023, 19.49% in 2022 and 18.53% in 2021) are unrestricted and may be used to meet the District's obligations to customers, member agencies, employees, and creditors.

Changes in net position

The following is a summary of the District's changes in net position for the fiscal years ended June 30:

	2023	2022	2021
Revenues:			
Operating revenues – charges for services	$ 58,260,194	$ 55,902,375	$ 62,726,943
Other revenues:			
Property taxes	28,647,432	26,385,993	23,289,269
Interest income	3,468,438	584,237	638,942
Intergovernmental	683,093	234,671	92,155
Other non-operating revenue	1,675,285	94,155	922,603
Total other revenues	34,474,248	27,299,056	24,942,969
Total revenues	92,734,442	83,201,431	87,669,912
Expenses:			
Operating expenses – general government	51,681,785	45,801,411	46,059,389
Depreciation and amortization	9,461,342	8,632,413	9,112,995
Interest expense	12,390,616	12,690,790	11,757,534
Other non-operating expenses	2,316,231	3,108,089	2,642,712
Total expenses	75,849,974	70,232,703	69,572,630
Income before contributions and special items	16,884,468	12,968,728	18,097,282
Capital contributions and special items	419,343	222,752	11,812
Change in net position	17,303,811	13,191,480	18,109,094
Net position, beginning of year	337,112,046	323,920,566	305,811,472
Net position, end of year	$ 354,415,857	$ 337,112,046	$ 323,920,566

The District's net position increased by $17,303,811 and $13,191,480 for the fiscal years ended June 30, 2023 and 2022, respectively. Key elements of this increase are as follows:

- Operating revenues increased by $2,357,819 and decreased by $6,824,568 for the fiscal years ended June 30, 2023 and 2022, respectively, due to water rate increases, changing water deliveries from drought, economic conditions, and growth of population.
- Property taxes increased by $2,261,439 and $3,096,724 for the fiscal years ended June 30, 2023 and 2022, respectively, due to property tax increases and new growth.
- Operating expenses, including depreciation and amortization, increased by $6,709,303 and decreased $738,560 for the fiscal years ended June 30, 2023 and 2022, respectively, due to inflation and cost increases.
- Interest expense decreased $300,174 and increased by $933,256 for the fiscal years ended June 30, 2023 and 2022, respectively, due to the fluctuation of variable interest rates and amount of outstanding debt.

District revenues

The District has three primary sources of revenue; wholesale water sales, retail water sales, and property taxes.

- The District has 17 wholesale member agencies comprising cities, improvement districts, water companies, and corporations. This is the main source of revenue for the District and provides 54.14% of total revenues.
- The District serves approximately 8,600 retail customers primarily in unincorporated areas of Salt Lake County. Retail water sales represent 6.96% of total revenues.
- Property taxes represent 30.89% of total revenues. The District is authorized by Utah law to levy a property tax rate up to a maximum of 0.0004. This tax rate is levied on the taxable property values within the District's service area. The tax rate adopted for 2023 is 0.000341.

Capital assets

The District's investment in capital assets for its governmental activities, as of June 30, 2023 and 2022, totaled $578,896,926 and $549,335,434, respectively (net of accumulated depreciation). This investment in capital assets includes the water system, land, administrative buildings and equipment, aqueduct rights and privileges, and investments in surface water resources.

Capital projects are a major component of capital assets, and the catalyst to serving a growing population. The District's service area is projected to continue growing in population and water demands. Careful planning of capital projects includes repair and replacement of aging infrastructure, as well as new infrastructure to ensure an adequate water supply for the future.

A few of the larger capital projects during the recent fiscal year included the Jordan Valley Water Treatment Plant sedimentation basin 3-6 expansion, 5200 West 6200 South reservoir and the 10200 South 3600 West booster pump station.

The following is a summary of the District's capital assets (net of accumulated depreciation) as of June 30:

	2023	2022	2021
Capital assets:			
Utility plant in service, net	$ 375,579,902	$ 359,864,592	$ 359,060,015
Construction in progress	19,807,716	7,078,894	6,352,579
Aqueduct rights and privileges, net	21,280,233	22,030,347	22,685,606
Investments in surface water resources	162,229,075	160,361,601	158,622,163
Total capital assets, net	$ 578,896,926	$ 549,335,434	$ 546,720,363

Additional information on the District's capital assets can be found in note 3 of the notes to the financial statements.

Long-term debt

The following is a summary of the District's outstanding long-term debt as of June 30:

	2023	2022	2021
Long-term debt:			
Bonds payable	$ 275,431,000	$ 287,663,000	$ 267,935,000
Notes payable	1,392,499	1,422,096	1,450,447
Leases	59,635	-	-
Total outstanding long-term debt	$ 276,883,134	$ 289,085,096	$ 269,385,447
Unamortized bond discounts and premiums	34,023,025	37,080,557	26,048,929
Less: current portion	(13,557,737)	(12,261,597)	(10,960,351)
Total long-term debt, net of current portion	$ 297,348,422	$ 313,904,056	$ 284,474,025

The District's long-term debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), notes payable, and leases.

The District has issued a portion of its revenue bonds through the Utah Water Finance Agency. The Utah Water Finance Agency is a cooperative formed with other state water districts and cities that come together to issue bonds in an effort to achieve better economies of scale on issuance and other related costs.

Standard & Poor's and Fitch Ratings have both assigned a rating of AA+ to the District.

Additional information on the District's long-term debt can be found in note 5 of the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of Jordan Valley Water Conservancy District's finances for all those with an interest. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the office of the District in care of the Controller at 8215 South 1300 West, West Jordan, Utah 84088.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Statements of Net Position
June 30, 2023 and 2022

	2023	2022 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (note 2)	$ 66,624,803	$ 64,133,515
Accounts receivable:		
Salt Lake County Treasurer - property tax collections	300,178	255,335
Water - wholesale billings (note 10)	7,657,393	6,541,548
Water - retail billings	1,084,442	915,270
Leases (note 4)	97,381	79,146
Other	4,326,881	1,704,161
Prepaid expense	241,630	-
Inventories	814,518	654,868
Total current assets	81,147,226	74,283,843
Noncurrent assets:		
Restricted assets (notes 2, 5):		
Cash and cash equivalents	5,299,819	38,742,646
Investments	4,818,026	5,547,798
Total restricted assets	10,117,845	44,290,444
Leases receivable, net of current portion (note 4)	417,993	436,282
Net pension asset (note 7)	-	5,253,839
Capital assets, net (note 3)	578,896,926	549,335,434
Investments, long-term (note 2)	1,670,000	1,670,000
Total noncurrent assets	591,102,764	600,985,999
Deferred outflows of resources:		
Effective interest rate swaps (note 5)	759,455	2,162,017
Deferred amount on bond refundings	6,195,569	6,719,034
Deferred outflows related to pensions (note 7)	2,777,100	1,990,285
Deferred outflow related to OPEB (note 8)	1,038,344	1,321,299
Total deferred outflows of resources	10,770,468	12,192,635
Total assets and deferred outflows of resources	$ 683,020,458	$ 687,462,477

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Statements of Net Position
June 30, 2023 and 2022

	2023	2022 (Restated)
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities:		
Accounts payable	$ 3,922,611	$ 3,462,415
Accrued interest payable	2,698,166	2,771,917
Accrued and other liabilities	497,729	348,963
Current portion of long-term debt (note 5)	13,557,737	12,261,597
Current portion of other long-term liabilities (notes 5, 8)	708,021	635,291
Total current liabilities	21,384,264	19,480,183
Noncurrent liabilities:		
Long-term debt, net of current portion (note 5)	297,348,422	313,904,056
Net pension liability (notes 5, 7)	1,595,758	-
Other long-term liabilities, net of current portion (notes 5, 8)	5,691,680	6,124,339
Total noncurrent liabilities	304,635,860	320,028,395
Total liabilities	326,020,124	339,508,578
Deferred inflows of resources:		
Fair value of interest rate swaps (note 5)	759,455	2,162,017
Deferred inflows related to pensions (note 7)	30,212	6,917,864
Deferred inflows related to leases (note 4)	508,301	515,428
Deferred inflows related to OPEB (note 8)	1,286,509	1,246,544
Total deferred inflows of resources	2,584,477	10,841,853
Net position:		
Net investment in capital assets	276,372,126	265,364,743
Restricted (note 5):		
Renewal and replacement	392,600	377,769
Future debt service	4,900,924	5,664,829
Unrestricted (note 6)	72,750,207	65,704,705
Total net position	354,415,857	337,112,046
Total liabilities, deferred inflows of resources, and net position	$ 683,020,458	$ 687,462,477

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Operating revenues:		
Metered sales of water:		
Wholesale	$ 50,208,938	$ 48,200,098
Retail	6,458,499	6,052,698
Other	1,592,757	1,649,579
Total operating revenues	58,260,194	55,902,375
Operating expenses:		
Direct expenses:		
Water purchased	18,944,282	17,571,963
Operating and maintenance	16,445,934	14,831,420
General and administrative	16,291,569	13,398,028
Depreciation and amortization	9,461,342	8,632,413
Total operating expenses	61,143,127	54,433,824
Operating (loss) income	(2,882,933)	1,468,551
Non-operating revenues (expenses):		
General property taxes	28,647,432	26,385,993
Interest income on investments	3,468,438	584,237
Net increase (decrease) in fair value of investments	68,204	(263,969)
Gain on sale of capital assets	1,607,081	94,155
Intergovernmental revenue	683,093	234,671
Contributions to other governments	(2,273,448)	(2,181,657)
Bond issuanace costs	-	(560,547)
Self insurance claims	(42,783)	(101,916)
Interest expense	(12,390,616)	(12,690,790)
Total non-operating revenues, net	19,767,401	11,500,177
Income before capital contributions	16,884,468	12,968,728
Capital contributions	419,343	222,752
Change in net position	17,303,811	13,191,480
Net position - beginning of year	337,112,046	323,920,566
Net position - end of year	$ 354,415,857	$ 337,112,046

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Cash flows from operating activities:		
Cash received from customers	$ 55,382,420	$ 55,513,769
Other operating cash receipts	1,631,290	1,701,991
Payments to suppliers for goods and services	(36,020,989)	(28,506,472)
Payments to employees and other operating cash payments	(18,923,684)	(19,984,374)
Net cash provided by operating activities	2,069,037	8,724,914
Cash flows from non-capital financing activities:		
Property tax revenue	26,329,141	24,212,608
Intergovernmental revenue	683,093	254,719
Self insurance claims	(42,783)	(101,916)
Net cash provided by non-capital financing activities	26,969,451	24,365,411
Cash flows from capital and related financing activities:		
Proceeds from new bond issuance	-	76,115,803
Payment to bond refunding escrow agent	-	(31,465,000)
Bond issuance costs	-	(560,547)
Principal paid on revenue bonds and other contracts	(12,261,597)	(10,690,351)
Interest paid on revenue bonds and other contracts	(11,940,902)	(11,943,024)
Acquisition and construction of capital assets	(41,666,035)	(14,253,907)
Proceeds from the sale of capital assets	1,612,093	94,155
Net cash (used) provided by capital and related financing activities	(64,256,441)	7,297,129
Cash flows from investing activities:		
Interest income on investments	3,536,642	320,268
Net decrease in restricted investments	729,772	1,835,430
Net cash provided by investing activities	4,266,414	2,155,698
Net (decrease) increase in cash and cash equivalents	(30,951,539)	42,543,152
Cash and cash equivalents - beginning of year	102,876,161	60,333,009
Cash and cash equivalents - end of year	$ 71,924,622	$ 102,876,161

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022 (Restated)
Reconciliation of operating income to net cash provided by operating activities:		
Operating (loss) income	$ (2,882,933)	$ 1,468,551
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	9,461,342	8,632,413
(Increase) decrease in accounts receivable	(3,914,810)	1,313,383
Increase in prepaid expense	(241,630)	-
Increase in inventory	(159,650)	(39,099)
Increase (decrease) in accounts payable	460,196	(59,769)
Decrease in accrued liabilities	(151,528)	(254,500)
Decrease in net pension and OPEB assets and liabilities	(501,950)	(2,336,066)
Total adjustments	4,951,970	7,256,362
Net cash provided by operating activities	$ 2,069,037	$ 8,724,913
Capital and related financing activities not affecting cash:		
Contributions to other governments	$ (2,273,448)	$ (2,181,657)
Deferred interest on refunding debt	523,465	534,762
Change in fair value of investments	68,204	(263,969)
Capital contributions from developers	419,343	222,752
Intangible right-to-use asset	(88,044)	-
Lease liability right-to-use asset	88,044	-

See accompanying notes to the financial statements

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Jordan Valley Water Conservancy District, a Utah political subdivision, ("the District") was organized on September 14, 1951, under the Utah Water Conservancy Act. The District encompasses an area of approximately 175 square miles in the western and southern regions of the Salt Lake Valley and the northern tip of Utah County in the State of Utah. The District changed its name in 1999 from Salt Lake County Water Conservancy District. The District is not a component unit of any other governmental entity, and it has one component unit, Jordan Valley Conservation Gardens Foundation.

The Jordan Valley Conservation Gardens Foundation ("the Foundation"), a Utah 501(c)(3) not-for-profit organization, was organized on September 29, 2005. The Foundation was primarily organized to assist the District with development and operation of a regional education facility and resource on water conservation, and to expand the existing Conservation Garden Park. The Foundation's primary sources of revenues are from grants and gifts. The Foundation is a component unit of the District, and its financial activity is reflected as a blended component unit in the District's financial reports. There were no significant revenues or expenses in the Foundation for the fiscal years ended June 30, 2023 and 2022. A separate column to disclose the Foundation's financial statements has not been included in this report as the amounts are considered to be immaterial. Separate financial statements for the Foundation may be obtained from the District's headquarters.

The District is primarily a wholesaler of water to other agencies but also has a retail service area and provides irrigation water to the agricultural community. The main role of the District is to develop and purchase water where it is available, treat and transport it to where it is needed, in order to ensure that an adequate water supply is available for its service area. The District contracted with various cities and water improvement districts to supply water to them. Water is billed on the basis of the District's cost to provide such service.

The District is divided into eight divisions and is governed by a board of nine trustees representing the divisions, one from each of seven divisions and two from the eighth division, who are appointed by the Governor of the State of Utah, subject to confirmation by the Utah State Senate.

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The District develops, purchases, treats, and sells water to retail and wholesale customers and operates in no other industry. The following is a summary of the more significant of such policies.

Presentation

The District reports its water production, storage, and distribution operations as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of accounting

The District is an enterprise fund and its records are maintained on the accrual basis of accounting. 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.

Management and other estimates

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

Cash and cash equivalents

For purposes of the statements of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less, when purchased, to be cash equivalents.

Inventories

Inventories are stated at cost and use the consumption method whereby they are reported as an asset and expensed as they are consumed.

Investments

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.

Capital assets

Capital assets are stated at cost, except for donated capital assets, which are reported at their estimated fair value at the date of donation. Costs incurred for repairs and maintenance that do not extend the useful life of an asset are recorded as an expense in the statement of revenues, expenses, and changes in net position. Additions, improvements, and betterments that provide future benefit and exceed the District's capitalization threshold of $10,000 are recorded as capital assets. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

	Life in Years
Water lines and equipment	5 to 60
Treatment plant	40
Wells and equipment	40
Reservoirs	60
Telemetering	20
Office buildings	40
Office furniture and equipment	5 to 10
Vehicles and other equipment	4 to 10

No depreciation is calculated on construction in progress until the asset is placed in service. Aqueduct rights and privileges are stated at cost. Amortization is calculated using the straight-line method over their estimated useful lives.

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

Capital contributions

Capital contributions are comprised of the cost or appraised value of water lines installed by subcontractors, which become part of the water system at no cost to the District, as well as federal, state, and private contributions. Capital contributions are stated at acquisition value.

Leases

When the District is a lessee in a non-cancellable lease of real property or equipment valued at $10,000 or more, it recognizes a lease liability and an intangible right-to-use lease asset in the financial statements. At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term and then reduces the liability when principal payments are made. The lease asset is also recorded at the present value of payments to be made after commencement plus any additional costs necessary to place the asset in service and is then amortized on a straight-line basis over the lease term. Lease assets are reported with non-current assets and lease liabilities are reported with long-term liabilities on the statement of net position. The District is currently a lessee of real properties and equipment.

In the case when the District is a lessor, and the underlying assets are owned and have been recorded in non-current assets, a lease receivable and new deferred inflow of resources representing future payments is recorded if the value of the receivable is $10,000 or more. The lease receivable is reduced as lease payments are made. The District is currently a lessor of real properties.

The lease term includes the non-cancellable period of the lease, including options to extend, and must be more than 12 months.

Risk management

The District 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. All general liability, real property, and vehicles are insured through commercial policies. The District has established a self-insurance reserve to fund deductibles and the self-insured retention on the commercial policies. The amount of settlements did not exceed insurance coverage for the past three years for all policies.

Compensated absences

The District accrues unpaid annual leave, up to 320 hours, when earned by the employee. The District also accrues unpaid compensatory leave and sick leave, a portion of which can be converted to cash or annual leave at the end of the year, when earned by the employee. The allocations to the current and long-term portions of these vested obligations were based on experience and projections of turnover.

Restricted assets

Restricted assets are comprised of cash and investments restricted for future payments of principal and interest on debt service as well as bonds issued for capital construction purposes.

Property taxes

The property tax revenue of the District is levied, collected, and distributed by both Salt Lake and Utah Counties, as required by Utah State law. The District uses this property tax revenue to help fund its operations.

At times, the District and other taxing authorities agree to contribute a portion of the property tax revenue to various cities and their respective redevelopment agencies to be used in redevelopment and development projects in anticipation of increased land values. These projects vary in length.

Operating and non-operating revenues and expenses

The District distinguishes 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 principal operating revenues of the District are charges to customers for services provided by the District. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Interest rate swaps

The District may enter into interest rate swap agreements to modify interest rates on outstanding debt. Any gains or losses resulting from terminated interest rate swap agreements are deferred over the life of the related debt. The net interest expenditures resulting from these agreements and the deferred gain resulting from the termination of the interest rate swap are recorded as interest expense in the financial statements.

Impact fees

Impact fees are collected for use by the District for qualified capital projects that expand or improve the retail system. The outstanding amount of collected impact fees totaled $192,395 and $569,812 as of June 30, 2023 and 2022, respectively, and are held in the Development Fee fund.

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.

Deferred outflows and 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 position 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 position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Reclassification

Certain reclassifications have been made to the 2022 financial statements and accompanying notes to conform to the 2023 presentation.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents consisted of the following, as of June 30:

	2023	2022
Unrestricted:		
Cash on deposit - demand and money market	$ 5,712,450	$ 6,894,625
Utah Public Treasurers' Investment Fund (PTIF)	60,912,353	57,238,890
Total unrestricted cash and cash equivalents	66,624,803	64,133,515
Restricted:		
Utah Public Treasurers' Investment Fund (PTIF)	5,299,819	38,742,646
Total restricted cash and cash equivalents	5,299,819	38,742,646
Total cash and cash equivalents	$ 71,924,622	$ 102,876,161

The District has committed, by board designation, cash and cash equivalents and investments totaling $52,800,050 and $53,186,608, respectively, as of June 30, 2023 and 2022. The District maintains these committed funds for uses related to operating and maintenance, revenue, development fee, capital projects, emergency reserve/self-insurance, general equipment, retail deposit, revenue stabilization, and Jordan Valley Conservation Gardens Foundation (See Note 6).

Certain of the District's assets are restricted by provisions of the revenue refunding bond and revenue bond resolutions (see Note 5). The resolutions also describe how these restricted assets may be deposited and invested. Restricted cash may only be deposited in state or national banks meeting certain minimum net worth requirements or invested in securities representing direct obligations of, or guaranteed by, the United States Government.

Deposits and Investments

Deposits and investments for local governments are governed by the Utah Money Management Act (“the Act”) (Utah Code, Section 51, Chapter 7) and by rules of the Utah Money Management Council (“the

Council”). Following are discussions of the District’s exposure to various risks related to its cash management activities.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk. The Act requires all deposits of local governments to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the commissioner of financial institutions as meeting the requirement of the Act and adhering to the rules of the Council.

As of June 30, 2023, and 2022, the District maintained cash balances of $7,022,663 and $7,199,170, respectively, in local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) covering $623,431 and $576,582, respectively. Utah state law does not require uninsured deposits to be collateralized.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act.

The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. The Act authorizes the District to invest in certificates of deposit; repurchase and reverse repurchase agreements; high-grade commercial paper, bankers' acceptances, fixed rate negotiable deposits, U.S. Treasury obligations, U.S. agency issues, corporate bonds, money market mutual funds, obligations of government entities within the State of Utah and the Utah Public Treasurers’ Investment Fund. All investments held by the District as of June 30, 2023 and 2022 comply with the provisions of the Act.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is authorized and regulated by the Act, but not registered with the SEC as an investment company.

For purposes of these financial statements, investments in the PTIF are considered to be cash and cash equivalents. Investments in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

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

The District had the following investments as of June 30, 2023:

			Investment Maturities (in years)		
Investment Type	Quality Ratings	Fair Value	Less Than 1	1-5	6-10
Unrestricted:					
Corporate bonds	AA+	$ 1,670,000	$ -	$ -	$ 1,670,000
Total unrestricted		1,670,000	-	-	1,670,000
Restricted:					
U.S. Agencies	N/A	236,714	-	236,714	-
U.S. Treasury notes	N/A	4,581,312	-	4,581,312	-
Total restricted		4,818,026	-	4,818,026	-
Total investments		$ 6,488,026	$ -	$ 4,818,026	$ 1,670,000

The District had the following investments as of June 30, 2022:

			Investment Maturities (in years)		
Investment Type	Quality Ratings	Fair Value	Less Than 1	1-5	6-10
Unrestricted:					
Corporate bonds	AA+	$ 1,670,000	$ -	$ -	$ 1,670,000
Total unrestricted		1,670,000	-	-	1,670,000
Restricted:					
U.S. Agencies	N/A	115,811	-	115,811	-
U.S. Treasury notes	N/A	5,431,987	-	5,431,987	-
Total restricted		5,547,798	-	5,547,798	-
Total investments		$ 7,217,798	$ -	$ 5,547,798	$ 1,670,000

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested, and imposes other restrictions on maturities of investments.

Fair Value of Investments

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

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

The District had the following recurring fair value measurements as of June 30, 2023:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Agencies	$ 236,714	$ -	$ 236,714	$ -
U.S. Treasury notes	4,581,312	-	4,581,312	-
Corporate bonds	1,670,000	-	1,670,000	-
Total investments by fair value level	$ 6,488,026	$ -	$ 6,488,026	$ -

The District had the following recurring fair value measurements as of June 30, 2022:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Agencies	$ 115,811	$ -	$ 115,811	$ -
U.S. Treasury notes	5,431,987	-	5,431,987	-
Corporate bonds	1,670,000	-	1,670,000	-
Total investments by fair value level	$ 7,217,798	$ -	$ 7,217,798	$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasury Notes, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2023 and 2022

NOTE 3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2023:

	July 1, 2022	Increases	Decreases	June 30, 2023
Capital assets not being depreciated:				
Water systems land	$ 36,790,227	$ -	$ (5,012)	$ 36,785,215
Office land	700,958	-	-	700,958
Construction in progress	7,078,894	40,422,744	(27,693,922)	19,807,716
Investment in surface water resources	160,361,601	1,867,474	-	162,229,075
Total capital assets not being depreciated	204,931,680	42,290,218	(27,698,934)	219,522,964
Capital assets being depreciated:				
Jordan aqueduct system	53,623,028	15,446	-	53,638,474
Source of supply	23,877,821	445,741	-	24,323,562
Water lines and equipment	236,115,563	3,583,479	-	239,699,042
Treatment plant	109,056,987	18,008,219	-	127,065,206
Wells and equipment	59,622,425	665,253	-	60,287,678
Reservoirs	35,295,349	2,458,884	(185,120)	37,569,113
Telemetering	11,659,047	43,280	-	11,702,327
Office buildings	24,865,519	1,608,967	-	26,474,486
Office furniture and equipment	2,670,618	128,562	-	2,799,180
Vehicles and other equipment	6,559,748	531,250	(184,312)	6,906,686
Total capital assets being depreciated	563,346,105	27,489,081	(369,432)	590,465,754
Less accumulated depreciation for:				
Jordan aqueduct system	(31,592,681)	(765,560)	-	(32,358,241)
Source of supply	(14,118,261)	(718,307)	-	(14,836,568)
Water lines and equipment	(57,477,985)	(4,300,434)	-	(61,778,419)
Treatment plant	(55,691,476)	(2,515,720)	-	(58,207,196)
Wells and equipment	(25,830,586)	(1,647,646)	-	(27,478,232)
Reservoirs	(8,879,162)	(700,177)	185,120	(9,394,219)
Telemetering	(8,068,577)	(595,996)	-	(8,664,573)
Office buildings	(10,120,162)	(699,454)	-	(10,819,616)
Office furniture and equipment	(2,398,040)	(71,054)	-	(2,469,094)
Vehicles and other equipment	(4,765,421)	(504,525)	184,312	(5,085,634)
Total accumulated depreciation	(218,942,351)	(12,518,873)	369,432	(231,091,792)
Total capital assets being depreciated, net	344,403,754	14,970,208	-	359,373,962
Net business-type capital assets	$ 549,335,434	$ 57,260,426	$ (27,698,934)	$ 578,896,926

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022
Capital assets not being depreciated:				
Water systems land	$ 36,790,227	$ -	$ -	$ 36,790,227
Office land	700,958	-	-	700,958
Construction in progress	6,352,579	10,174,454	(9,448,139)	7,078,894
Investment in surface water resources	158,622,163	1,739,438	-	160,361,601
Total capital assets not being depreciated	202,465,927	11,913,892	(9,448,139)	204,931,680
Capital assets being depreciated:				
Jordan aqueduct system	53,528,292	94,736	-	53,623,028
Source of supply	21,492,689	2,385,132	-	23,877,821
Water lines and equipment	234,061,406	2,054,157	-	236,115,563
Treatment plant	105,827,676	3,229,311	-	109,056,987
Wells and equipment	57,707,937	1,914,488	-	59,622,425
Reservoirs	34,220,212	1,075,137	-	35,295,349
Telemetering	11,633,530	25,517	-	11,659,047
Office buildings	24,138,919	726,600	-	24,865,519
Office furniture and equipment	2,548,532	122,086	(1,889)	2,670,618
Vehicles and other equipment	6,519,737	383,743	(341,844)	6,559,748
Total capital assets being depreciated	551,678,930	12,010,907	(343,733)	563,346,105
Less accumulated depreciation for:				
Jordan aqueduct system	(30,842,686)	(749,995)	-	(31,592,681)
Source of supply	(13,595,954)	(522,307)	-	(14,118,261)
Water lines and equipment	(53,247,484)	(4,230,501)	-	(57,477,985)
Treatment plant	(53,312,106)	(2,379,370)	-	(55,691,476)
Wells and equipment	(24,320,811)	(1,509,775)	-	(25,830,586)
Reservoirs	(8,226,745)	(652,417)	-	(8,879,162)
Telemetering	(7,470,021)	(598,556)	-	(8,068,577)
Office buildings	(9,469,320)	(650,843)	-	(10,120,162)
Office furniture and equipment	(2,321,680)	(76,359)	1,889	(2,398,040)
Vehicles and other equipment	(4,617,687)	(491,466)	341,844	(4,765,421)
Total accumulated depreciation	(207,424,494)	(11,861,589)	343,733	(218,942,351)
Total capital assets being depreciated, net	344,254,436	149,318	0	344,403,754
Net business-type capital assets	$ 546,720,363	$ 12,063,210	$ (9,448,139)	$ 549,335,434

Aqueduct rights and privileges

The District acquired a contractual right to approximately 71% of the carrying capacity of the Jordan Aqueduct of the Bonneville Unit of the Central Utah Project (the Aqueduct) from the United States Department of the Interior, Bureau of Reclamation (The Bureau) which constructed the Aqueduct and retains indefinite title thereto. Rights and privileges of this carrying capacity have been capitalized at the amount originally payable to the Bureau of the construction of the Aqueduct.

NOTE 4. LEASES

The District, as a lessor, has entered into two lease agreements involving land and reservoir storage capacity. As of June 30, 2023 and 2022, the lease receivable was $515,374 and $515,428, respectively. The leases have implicit interest rates of 3.27%, and an estimated life of 5 years. The District recognized $90,051 of lease revenue, and $17,521 of interest income for the fiscal year ended June 30, 2023. For the fiscal year ended June 30, 2022, the District recognized $76,640 of lease revenue, and $19,360 of interest income.

The District's future lease income under lease agreements are as follows:

	Principal	Interest	Total
2024	$ 97,381	$ 16,619	$ 114,000
2025	100,572	13,428	114,000
2026	103,869	10,131	114,000
2027	107,274	6,726	114,000
2028	106,279	3,221	109,500
Total	$ 515,374	$ 50,124	$ 565,498

The District, as a lessee, has entered into one lease agreement involving water shares. This has been recorded as an intangible right-to-use asset of $88,044 with accumulated amortization of $29,348 as of June 30, 2023. The lease liability was $59,635 and $0 as of June 30, 2023 and 2022, respectively. The lease has an implicit interest rate of 3.27%, and an estimated life of 3 years. The District made $28,409 of principal, and $2,879 of interest payments for the fiscal year ended June 30, 2023.

The District's future lease payments under lease agreements are as follows:

	Principal	Interest	Total
2024	$ 29,338	$ 1,950	$ 31,288
2025	30,297	991	31,288
Total	$ 59,635	$ 2,941	$ 62,576

NOTE 5. LONG-TERM DEBT

The District had the following long-term debt outstanding as of June 30:

	2023	2022
Water revenue bonds:		
Series 2008 B-l revenue refunding bonds payable, dated April 22, 2008; interest payable monthly at a variable weekly rate (4.00% at June 30, 2023), maturing in annual installments through 2038	$ 52,465,000	$ 54,865,000
Series 2009C revenue bonds payable, dated February 24, 2010; 0.00% interest rate; maturing in annual installments through 2035	1,871,000	2,028,000
Series 2013A revenue refunding bonds payable, dated March 7, 2013; interest payable semi-annually at 2.00% to 4.00%; maturing in annual installments through 2023	-	1,745,000
Series 2014A revenue bonds and revenue refunding bonds payable, dated July 2, 2014; interest payable semi-annually at 4.00% to 5.00%; maturing in annual installments through 2045	24,745,000	24,745,000
Series 2016A revenue bonds payable, dated July 6, 2016; interest payable semi-annually at 3.00% to 5.00%; maturing in annual installments through 2047	27,440,000	27,440,000
Series 2016B revenue refunding bonds payable, dated July 6, 2016; interest payable semi-annually at 2.00% to 5.00%; maturing in annual installments through 2031	6,190,000	7,380,000
Series 2017A revenue refunding bonds payable, dated July 6, 2017; interest payable semi-annually at 2.00% to 5.00%; maturing in annual installments through 2029	5,930,000	6,790,000
Series 2017B revenue refunding bonds payable, dated December 27, 2017; interest payable semi-annually at 2.75% to 5.00%; maturing in annual installments through 2042	71,290,000	74,025,000
Series 2019A revenue bonds payable, dated February 14, 2019; interest payable semi-annually at 3.00% to 5.00%; maturing in annual installments through 2050	27,650,000	28,130,000
Series 2021A revenue bonds and revenue refunding bonds payable, dated July 7, 2021; interest payable semi-annually at 4.00% to 5.00%; maturing in annual installments through 2052	57,850,000	60,515,000
Total water revenue bonds	275,431,000	287,663,000

	2023	2022
Notes payable and lease liabilities:		
Notes payable, dated September 10, 2009 (amended January 29, 2019); simple interest at 3.00%, paid annually, with one principal payment at maturity in 2024	728,000	728,000
Notes payable, dated October 14, 2009; interest compounded annually at 4.40%, maturing in annual installments through 2029	206,999	236,596
Notes payable, dated January 29, 2019; simple interest at 3.00%, paid annually, with one principal payment at maturity in 2024	457,500	457,500
Lease liabilities	59,635	-
Total notes payable and lease liabilities	1,452,134	1,422,096
Total water revenue bonds, notes payable, and lease liabilities	276,883,134	289,085,096
Unamortized bond discounts and premiums	34,023,025	37,080,557
Less: current portion	(13,557,737)	(12,261,597)
Total long-term debt, net of current portion	297,348,422	313,904,056
Other long-term liabilities, net of current portion (see table below)	7,287,438	6,124,339
	$ 304,635,860	$ 320,028,395

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2023:

	July 1, 2022	Additions	Reductions	June 30, 2023	Due in One Year
Bonds payable:					
Revenue and revenue refunding bonds	$ 287,663,000	$ -	$ (12,232,000)	$ 275,431,000	$ 12,312,000
Other long-term debt:					
Unamortized bond discounts and premiums	37,080,557	-	(3,057,532)	34,023,025	-
Notes payable	1,422,096	-	(29,597)	1,392,499	1,216,399
Lease liabilities	-	59,635	-	59,635	29,338
Total long-term debt	326,165,653	59,635	(15,319,129)	310,906,159	13,557,737
Other long-term liabilities:					
Compensated absences	1,416,800	52,620	-	1,469,420	708,021
Post employment benefit liability	5,342,830	407,579	(820,128)	4,930,281	-
Net pension liability	-	1,595,758	-	1,595,758	-
Total other long-term liabilities	6,759,630	2,055,957	(820,128)	7,995,459	708,021
	$ 332,925,283	$ 2,115,592	$ (16,139,257)	$ 318,901,618	$ 14,265,758

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2022:

	July 1, 2021	Additions	Reductions	June 30, 2022	Due in One Year
Bonds payable:					
Revenue and revenue refunding bonds	$ 267,935,000	$ 61,855,000	$ (42,127,000)	$ 287,663,000	$ 12,232,000
Other long-term debt:					
Unamortized bond discounts and premiums	26,048,929	14,260,803	(3,229,175)	37,080,557	-
Notes payable	1,450,447	-	(28,351)	1,422,096	29,597
Total long-term debt	295,434,376	76,115,803	(45,384,526)	326,165,653	12,261,597
Other long-term liabilities:					
Compensated absences	1,457,868	-	(41,068)	1,416,800	635,291
Post employment benefit liability	5,642,002	626,896	(926,068)	5,342,830	-
Net pension liability	423,319	-	(423,319)	-	-
Total other long-term liabilities	7,523,189	626,896	(1,390,455)	6,759,630	635,291
	$ 302,957,565	$ 76,742,699	$ (46,774,981)	$ 332,925,283	$ 12,896,888

Future maturities of long-term debt are as follows for the fiscal years ending June 30:

	Principal	Interest	Total
2024	$ 13,528,399	$ 11,797,694	$ 25,326,093
2025	12,739,257	11,207,509	23,946,766
2026	14,625,676	10,644,027	25,269,703
2027	11,317,156	10,118,537	21,435,693
2028	11,908,702	9,599,133	21,507,835
2029 - 2033	55,113,309	40,594,014	95,707,323
2034 - 2038	63,631,000	27,929,888	91,560,888
2039 - 2043	49,710,000	15,446,773	65,156,773
2044 - 2048	32,875,000	5,761,100	38,636,100
2049 - 2053	11,375,000	821,450	12,196,450
Total	$ 276,823,499	$ 143,920,127	$ 420,743,624

Variable interest rate

As of June 30, 2023, the variable interest rate on the Series B-l Revenue Bonds was set at the weekly rate as defined in the official bond statement. The interest rate determination method for the bonds can be changed by the District to a daily rate, a commercial paper rate, or a long-term interest rate (all of which are defined in the official bond statement). The effective date of any change shall be the first day of the first interest period during which the bonds of such series shall bear interest at a rate determined by the new method.

Interest rate swap agreements and fair value measurement

The District has two swap agreements with The Bank of New York Mellon (BNY) to swap the variable rate for a fixed rate of interest. The swap amounts are $16,200,000 and $15,200,000 representing partial amounts of the Series B-l bond. The BNY swap agreements maintain 3.356% and 3.790% fixed rates of interest, and will expire on October 1, 2035 and 2033, respectively.

The fair values of these interest rate swaps of $(294,055) and $(465,400) as of June 30, 2023 and $(986,116) and $(1,175,901) as of June 30, 2022, are calculated under the terms and conditions of the ISDA Master Agreement with its accompanying schedule and confirmation ("the Swap Agreement"). The swap provider, BNY, is the calculation agent.

Credit Risk

Credit risk is the risk that a counterparty will not fulfill its obligations. As of June 30, 2023, the District was exposed to credit risk in the amount of the swap's fair value (as noted above) in the event the swap agreements are terminated and BNY fails to make the termination payment. The obligations of BNY are covered by an insurance policy issued by the bank. As of June 30, 2023, BNY was rated Aa2 and AA- by Moody's Investor Service and Standard and Poor's, respectively. To mitigate credit risk, if BNY's credit quality falls below Aa/AA, respectively, the fair value of the swap would be fully collateralized with U.S. government securities. Collateral would be posted with the Trustee.

Basis Risk

Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The District bears basis risk on its swap. The swap has basis risk since the District receives a percentage of the Inter-bank Offered Rate (IBOR) to offset the actual variable bond rate the District pays on its bonds. The District is exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the District pays on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

Termination Risk

The District may terminate the swap at any time. BNY may terminate the swap if the District fails to perform under the terms of the Swap Agreement. The District will be exposed to variable rates if the provider to the swap contract defaults or if the swap contract is terminated. A termination of the swap contract may also result in the District's making or receiving a termination payment based on market interest rates at the time of termination. If at the time of termination the swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap's fair value.

Swap Payments and Associated Debt

Using rates as of June 30, 2023, debt service requirements of the Series B-l bonds and the related net swap payments, assuming current interest rates remain the same, are shown in the table below. As rates vary, variable-rate bond interest payments and net swap payments will vary.

The debt payments below are included in the future maturities of long-term debt above, for the fiscal years ended, June 30:

	Variable Rate Bonds		Interest Rate Swaps, Net	
	Principal	Interest	Interest	Total
2024	$ 3,600,000	$ 2,026,600	$ (131,946)	$ 5,494,654
2025	3,800,000	1,878,600	(123,085)	5,555,515
2026	4,000,000	1,722,600	(113,797)	5,608,803
2027	4,200,000	1,558,600	(104,082)	5,654,518
2028	4,400,000	1,386,600	(93,940)	5,692,660
2029 - 2033	15,800,000	4,969,000	(305,827)	20,463,173
2034 - 2038	16,665,000	1,491,700	(44,937)	18,111,763
Total	$ 52,465,000	$ 15,033,700	$ (917,614)	$ 66,581,086

Bond issuances and refundings

Over the years, the District has issued revenue bonds, pledging its revenues as security for payment. Neither the faith and credit nor the taxing power of the District is pledged for the payment of its bonds. Property constituting part of the District's water system is not pledged.

On July 7, 2021, the District issued $61,855,000 of water revenue and refunding bonds, Series 2021A. The Series 2021A bonds were issued at a premium of $14,260,803, average coupon rate of 4.15%, true interest cost of 2.19%, and mature over 30 years. The proceeds from this issuance, less $560,548 to pay the cost of issuing the bonds, will be used to fund various capital construction projects, and for the refunding of bonds described below.

The refunding of Series 2011A bonds resulted in an accounting gain of $565,182, reduced its debt service payments through 2026 by $7,500,000 and obtained a present value economic gain of $581,157. The partial refunding of Series 2014A bonds resulted in an accounting gain of $321,742, reduced its debt service payments through 2031 by $1,650,000 and obtained a present value economic gain of $304,841. The partial refunding of Series 2016A bonds resulted in an accounting gain of $7,036,402, reduced its debt service payments through 2037 by $22,315,000 and obtained a present value economic gain of $6,417,459.

Optional redemption and redemption prices

Certain bonds are subject to redemption at the election of the District, in whole or in part, from such maturities or parts thereof as shall be selected by the District, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The following is a summary of the bonds that are subject to redemption, and when they may be redeemed.

Bond Series	Bonds subject to redemption maturing on or after:	Bonds may be redeemed on or after:
2014A	October 1, 2031	October 1, 2024
2016A	October 1, 2036	October 1, 2026
2016B	October 1, 2027	October 1, 2026
2017A	October 1, 2027	October 1, 2026
2017B	October 1, 2028	October 1, 2027

2019A	October 1, 2027-2034	October 1, 2026
2019A	October 1, 2035	October 1, 2028
2021A	October 1, 2032	October 1, 2031

The District has the right to purchase bonds in lieu of certain redemptions, related to its series B-l variable rate bonds. All redemptions and purchases in lieu of redemption will be paid in funds immediately available on the redemption or purchase date at a redemption or purchase price of 100% of the principal amount of the bonds being redeemed or purchased plus accrued interest, if any, to the relevant redemption or purchase date.

The following are selected provisions of the revenue refunding and revenue bond resolutions:

Pledge of the Bond Resolutions

The bond resolutions provide that the bonds shall be special obligations of the District payable solely from and secured by: (1) the proceeds of sale of the bonds; (2) all revenues, connection fees, income, rents, and receipts attributable to the water supply and distribution system (the System), except taxes levied to provide for operation and maintenance costs, and income from investments of any monies held pursuant to the resolutions, except monies held in the construction fund; and (3) all funds, other than the Operation and Maintenance Fund, established by the resolutions. The resolutions do not require the District to pledge any property constituting part of the System.

Funds required by the Bond Resolutions

The bond resolutions require that certain "funds" be established to account for the District's receipts and disbursements. Such "funds" are accounts within the District's records and are not separate funds or groups of self-balancing accounts. The amounts held in these funds are to be used for the purposes stipulated in the resolutions as described below. Funds held by the trustee have been restricted and corresponding amounts of retained earnings have been reserved.

Revenue Fund (held by the District)

This fund initially receives revenues, excluding property taxes, and disburses them to the principal and interest funds and then to the Renewal and Replacement Funds. Any remaining revenues may be applied at the determination of the District to: (1) the purchase or redemption of any bonds and payment of expenses in connection with the purchase or redemption of any bonds; (2) payments of principal or redemption price of an interest on any bonds, including general obligation or junior lien revenue bonds of the District, issued to acquire improvements or extensions to the System; (3)payments into the bond project funds; (4) payment of the cost of capital improvements to the System and (5) any other lawful purpose of the issuer. The District is required to have, on deposit, 25% of total annual debt service at all times ($6,351,419) as of June 30, 2023. As of June 30, 2023, the balance of cash and investments in the fund was $12,436,478.

Operation and Maintenance Fund (held by the District)

This fund pays all costs of operations and maintenance as appropriated in the annual budget. The District is required to have, on deposit, sufficient funds to efficiently operate and maintain its system for three calendar months ($7,400,000 as of June 30, 2023). Property tax revenues are received directly into this fund. As of June 30, 2023, the balance of cash and investments in the fund was $16,249,001.

Renewal and Replacement Funds (held by the District)

These funds pay for extraordinary operation and maintenance costs, contingencies, and any other costs of additional facilities not covered by the proceeds of insurance or other recoverable monies. In the event a deficiency arises in the Principal and Interest Fund, monies in the Renewal and Replacement Funds shall be transferred to this fund to satisfy the deficiency. Any remaining funds not used to satisfy the deficiency, or not needed for any purpose for which this fund was established, shall be deposited into the Revenue Fund. As of June 30, 2023, the balance of cash and investments in this fund was $297,314.

This balance was comprised of $172,198 held in the bond renewal and replacement fund and $125,116 held in the Jordan Aqueduct maintenance fund.

Principal and Interest Funds (held by the Trustee)

These funds hold any debt service reserve amounts and pay all interest and principal related to the bonds. The debt service reserve requirement is equal to the average annual debt service on the bonds at the time of issuance. As of June 30, 2023, the total balance of cash and investments in these funds was $4,896,757.

Bond Project Funds (held by the Trustee)

These funds hold and disburse bond proceeds for the acquisition costs of capital construction projects. As of June 30, 2023, the balance of cash and investments was $4,824,320.

Restricted assets

Restricted assets represent cash and investments and related accrued interest receivable restricted for purposes of the bond renewal and replacement fund, Jordan Valley Water Treatment Plant maintenance fund, Jordan Aqueduct maintenance fund, bond projects fund, bond cash accounts, and principal and interest funds (see Note 2).

Restricted net position

Net position for certain restricted assets has been reserved as follows as of June 30:

	2023	2022
Bond renewal and replacement fund	$ 172,198	$ 165,693
Jordan Valley Water Treatment Plant maintenance fund	95,286	91,686
Jordan Aqueduct maintenance fund	125,116	120,390
Bond cash accounts	4,167	307
Principal and interest funds:		
B-l reserve	4,740,621	4,682,557
2009C reserve	156,136	155,415
2013A reserve	-	826,550
Total restricted net position	$ 5,293,524	$ 6,042,598

NOTE 6. UNRESTRICTED NET POSITION

The following "funds" have been established by board designation and the amounts held in these funds committed for the purposes stipulated. Such "funds" are accounts within the District's records and are not separate funds or groups of self-balancing accounts.

Bond Covenant - Minimum Balances

As explained in the previous note, the District's bond resolutions require that a minimum balance be maintained in the Revenue Fund and Operation and Maintenance Fund.

Development Fee Fund

This fund was established to receive retail connection fees that will be used to fund expansion or improvements to the retail system. The balance in this fund is determined by connection and development fees collected, less any expenditures.

Capital Projects Fund

Capital projects, authorized by the Board, are paid from this fund. Bond proceeds are transferred into the fund as projects are constructed. Additional funding, as designated by the Board, may be made from other District funds. The Replacement Reserve Fund is a sub-account of the Capital Projects Fund, and is used to fund major rehabilitation or replacement of existing facilities.

Emergency Reserve / Self Insurance Fund

This fund was established to reserve assets to pay for all self-insured claims and deductibles. In addition, this fund will be used to begin repairs in the case of catastrophic events.

General Equipment Fund

This fund facilitates the budgeting and funding of vehicles and other depreciable equipment. Expenditures from the fund are authorized by the Board during the budgeting process.

Revenue Stabilization Fund

This fund was established to reserve funds to be used in future fiscal years for operations, capital projects, or other uses determined by the Board.

Retail Deposit Fund

This fund was established to receive temporary deposits and water-efficiency performance bonds on new retail water accounts. When an account is setup and the temporary meter returned, a refund of the deposit amount will be made to the customer if there is no outstanding balance owing on the account. And when the requirements of the water-efficiency performance bond have been met, the bond amount is refunded. This fund is held in a separate, non-interest bearing, account.

Uncommitted Net Position

The uncommitted net position consisted of cash and cash equivalents from the Revenue Fund and Operation and Maintenance Fund, which were in excess of the minimum balances from bond covenants, as well as other current assets and current liabilities. Uncommitted net position may fluctuate from year to year based upon the balances in those accounts. Following approval of the audited financial statements, an amount approximating net income will be committed by Board designation and transferred to various funds.

The District had the following unrestricted net position as of June 30:

	2023	2022
Committed:		
Bond covenant - minimum balances	$ 13,751,419	$ 12,991,125
Capital projects fund	24,820,659	21,198,309
Emergency reserve / self-insurance fund	5,217,412	4,849,193
General equipment fund	373,104	311,071
Development fund	192,395	569,812
Revenue stabilization fund	8,683,955	13,119,613
Retail deposit fund	206,980	70,903
Jordan Valley Conservation Gardens Foundation	114,420	76,582
Uncommitted	19,389,863	12,518,097
Total unrestricted net position	$ 72,750,207	$ 65,704,705

NOTE 7. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

General Information about the Pension Plan

Plan Description

Eligible employees of the District are provided with the following pension plans administered through the Utah Retirement Systems (URS):

Defined Benefit Plans

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

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Public Employees Contributory Retirement System (Tier 1 Contributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan (includes the Tier 2 Defined Contribution Plan)
- 457(b) Plan

- Roth IRA Plan
- Traditional IRA Plan

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans, but may also be used as a primary retirement plan.

Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 defined contribution plan required contributions and associated earnings are vested after four years of eligible employment.

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

URS is established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. URS defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of URS under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. URS is composed of 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 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

Benefits Provided

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

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA **
Tier 1 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 4.0%
Tier 1 Contributory System	Highest 5 years	30 years, any age 20 years, age 60 * 10 years, age 62 * 4 years, age 65	1.25% per year to June 1975; 2.00% per year July 1975 to present	Up to 4.0%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60 * 10 years, age 62 * 4 years, age 65	1.5% per year all years	Up to 2.5%

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

Contribution Rate Summary

As a condition of participation in URS, 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	Paid by Employer	Employer rate for 401(k) Plan
Tier 1 Noncontributory System	N/A	N/A	17.97%	N/A
Tier 1 Contributory System	1.00%	5.00%	13.96%	N/A
Tier 2 Public Employees System	N/A	N/A	16.01%	0.18%
Tier 2 Defined Contribution Plan	N/A	N/A	6.19%	10.00%

Contributions reported are the Utah State Retirement Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems. Employees can make contributions to defined contribution plans, up to applicable plan and Internal Revenue Code limits.

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

	Employer	Employee
Tier 1 Noncontributory System	$ 1,184,188	N/A
Tier 1 Contributory System	13,067	5,616
Tier 2 Public Employees System	701,998	-
Tier 2 Defined Contribution Plan	31,087	N/A
Total contributions	$ 1,930,340	$ 5,616

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

As of June 30, 2023, the District reported a net pension asset of $0 and a net pension liability of $1,595,758.

	Measurement Date: December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (decrease)
Tier 1 Noncontibutory System	$ -	$ 1,337,927	0.7811578%	0.7881624%	-0.0070046%
Tier 1 Contributory System	-	67,822	0.6594409%	0.9320690%	-0.2726281%
Tier 2 Public Employees System	-	190,009	0.1744973%	0.1540124%	0.0204849%
Total net pension asset / liability	$ -	$ 1,595,758			

The net pension asset and liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension asset and liability was 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 during the plan year over the total of all employer contributions during the plan year.

For the fiscal year ended June 30, 2023, the District recognized actuarial calculated pension expense for the plans as follows:

	Pension Expense
Tier 1 Noncontributory System	$ 558,076
Tier 1 Contributory System	182,802
Tier 2 Public Employees System	364,296
Total	$ 1,105,174

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources			
	Tier 1 Non-contributory System	Tier 1 Contributory System	Tier 2 Public Employees System	Total
Differences between expected and actual experience	$ 453,805	$ -	$ 64,178	$ 517,983
Changes in assumptions	219,269	-	61,686	280,955
Net difference between projected and actual earnings on pension plan investments	882,510	20,219	76,606	979,335
Changes in proportion and differences between contributions and proportionate share of contributions	9,342	-	34,825	44,167
Contributions subsequent to the measurement date	557,164	6,386	391,110	954,660
Total	$ 2,122,090	$ 26,605	$ 628,405	$ 2,777,100

	Deferred Inflows of Resources			
	Tier 1 Non-contributory System	Tier 1 Contributory System	Tier 2 Public Employees System	Total
Differences between expected and actual experience	$ -	$ -	$ 7,539	$ 7,539
Changes in assumptions	5,342	-	483	5,825
Changes in proportion and differences between contributions and proportionate share of contributions	9,166	-	7,682	16,848
Total	$ 14,508	$ -	$ 15,704	$ 30,212

The $954,660 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year ended June 30, 2023, 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:

	Deferred Outflows (Inflows) of Resources			
Years Ending December 31,	Tier 1 Non-contributory System	Tier 1 Contributory System	Tier 2 Public Employees System	Total
2023	$ (198,859)	$ (57,399)	$ 10,933	$ (245,325)
2024	39,539	(17,150)	23,002	45,391
2025	354,470	15,550	36,530	406,550
2026	1,355,269	79,218	69,221	1,503,708
2027	-	-	16,564	16,564
Thereafter	-	-	65,341	65,341

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 – 9.25%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Asset class:			
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected arithmetic 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 of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. 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 Utah State Retirement 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 District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85%, 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% lower (5.85%) or 1% higher (7.85%) than the current discount rate.

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Tier 1 Noncontributory System	$ 8,432,065	$ 1,337,927	$ (4,589,599)
Tier 1 Contributory System	347,938	67,822	(169,916)
Tier 2 Public Employees System	830,235	190,009	(303,204)
Total	$ 9,610,238	$ 1,595,758	$ (5,062,719)

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

Defined Contribution Savings Plans

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

Employee and employer contributions to the URS defined contribution savings plans for the fiscal years ended June 30, were as follows:

	2023	2022	2021
401(k) Plan			
Employer contributions	$ 60,569	$ 107,581	$ 109,103
Employee contributions	57,104	76,178	47,485
457(b) Plan			
Employer contributions	7,447	7,795	8,206
Employee contributions	140,155	162,122	119,982
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	62,883	69,299	66,948
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	400	960	280

The District also has a defined contribution savings plan, in lieu of participation in the Social Security system, which is funded by contributions from the District. All permanent and full-time employees participate in the plan. The District's contribution rate to the retirement plan is the same contribution rate the Federal Insurance Contribution Act (FICA) requires for Social Security tax, as may be changed periodically by Congress. The plan is administered for the District by Fidelity Investments. The District's contribution to this plan was $1,199,827 and $1,200,609 for the fiscal years ended June 30, 2023 and 2022, respectively.

NOTE 8. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to the retirement benefits described in Note 7, the District explicitly subsidizes retiree health care coverage for eligible employees for five years or until Medicare eligibility, whichever is less, in accordance with plan provisions. The benefits and benefit levels are governed by District policy and can be amended at any time. This plan is considered a single employer plan. The plan does not issue a separate report.

Funding Policy

The District currently pays for postemployment benefits on a "pay-as-you-go" basis. These financial statements assume that "pay-as-you-go" funding will continue.

Employees Covered by Benefit Terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Active employees	142
Active employees (opt-out of health insurance)	9
Inactive employees (retired participants)	21
Total	172

Changes in the Net OPEB Liability

The following presents the changes in the net OPEB liability for the fiscal year ended June 30, 2023:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2022	$ 5,342,830	$ -	$ 5,342,830
Changes for the year:			
Service cost	196,008	-	196,008
Interest	216,472	-	216,472
Changes in assumptions	24,342	-	24,342
Differences between expected and actual experience	(352,164)	-	(352,164)
Benefit payments	(497,207)	(497,207)	-
Employer contributions	-	497,207	(497,207)
Net changes	(412,549)	-	(412,549)
Balances as of June 30, 2023	$ 4,930,281	$ -	$ 4,930,281

Plan fiduciary net position as a percentage of total OPEB liability	0.00%
Covered employee payroll	$11,037,916
Total OPEB liability as a percentage of covered employee payroll	44.70%

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

As of June 30, 2023, the District recognized OPEB expense of $407,579 and reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 647,882	$ (711,684)
Changes in assumptions	390,462	(574,825)
Net difference between projected and actual earnings on OPEB plan investments	-	-
	$ 1,038,344	$ (1,286,509)

The balance as of June 30, 2023 of the deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Fiscal Years Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2024	$ (4,901)
2025	(4,904)
2026	12,015
2027	(116,225)
2028	(87,320)
Thereafter	(46,830)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress above presents the results of OPEB valuations as of June 30, 2023 and looking forward, the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The net OPEB liability in the June 30, 2023 actuarial valuation was determined by using the following actuarial assumptions and other methods applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount rate	4.13%
Health care cost trend rates	Initial rate of 7.0% decreasing to an ultimate rate of 4.5%

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent on another rating scale).

Mortality rates were based on SOA Pub-2010 Total Dataset Mortality Table fully generational using scale MP-2021.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2023 actuarial valuation, entry age normal level percentage of salary cost method was used. The actuarial assumptions included a 4.13% unfunded discount rate and an annual health care cost trend rate of 7.0% initially, reduced by decrements to an ultimate rate of 4.5% after 6 years. The actuarial value of assets was not determined as the District has not advance funded its liability. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll over an open twenty year period.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's net OPEB liability using the discount rate of 4.13% as well as what the District's net OBEB liability would be if it were calculated using a discount rate that is 1% lower (3.13%) or 1% higher (5.13%) then the current discount rate.

	1% Decrease (3.13%)	Discount (4.13%)	1% Increase (5.13%)
Net OPEB liability	$ 5,377,262	$ 4,930,281	$ 4,528,218

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the District's net OPEB liability using the health care cost trend rates of 7.0% decreasing to an ultimate rate of 4.5% as well as what the District's net OBEB liability would be if it were calculated using a rate that is 1% lower (6.0% decreasing to an ultimate rate of 3.5%) or 1% higher (8.0% decreasing to an ultimate rate of 5.5%).

	1% Decrease (6.0% decreasing to 3.5%)	Health Care Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB liability	$ 4,404,415	$ 4,930,281	$ 5,549,642

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

The District has an agreement to purchase municipal and industrial water (Project Water) from Central Utah Water Conservancy District (CUWCD) developed under the Bonneville Unit of the Central Utah Project. Under the agreement, the District will receive an average annual allotment of 50,000 acre-feet of Project Water, through eight individual block notices, at an estimated average price of $146.00 per acre-foot, excluding various facility operating and maintenance costs, until the water allotted to the District by

CUWCD is paid in full. This is expected to occur between the years 2037 and 2047, according to the individual block notices. The price of Project Water after the repayment period has not yet been estimated.

For the fiscal years ended June 30, 2023 and 2022, 31,007 and 35,983 acre-feet of Project Water was delivered to the District, respectively. Under a separate contract, the District has returned 6,300 acre-feet of Project Water to CUWCD each year for Provo River fishery flows to assist in meeting CUWCD's conservation goal under Section 207 of the Central Utah Completion Act. This has reduced the District's repayment obligation for Project Water proportional to the amount returned to CUWCD.

The District has entered into a contract and agreed to purchase 11,680 acre-feet of water from CUWCD as part of the Central Utah Water Conservancy District Water Development Project (more commonly referred to as the Central Water Project, or CWP). This water is already treated and connected to the District's finished water distribution system. Ongoing annual operating assessments charged by CUWCD are expensed by the District.

The District has also entered into an agreement with CUWCD to purchase 21,400 acre-feet of Strawberry Water (also known as Utah Lake Distribution System, or ULS). The contract for repayment of the Strawberry Water supply could begin as early as 2022 or as late as 2031, according to the District's need for the water.

The District executed an agreement with the Welby Jacob Water Users Company in 1988, and an amended agreement in 1991, to implement the Welby Jacob Exchange. Under the Welby Jacob Exchange, the District delivers up to 40,000 acre-feet of water, either pumped Utah Lake water or Provo River water, to the Welby and Jacob canals each year. Under this amended agreement, the District delivered to the Welby and Jacob canals 22,382 and 22,702 acre-feet, of which, 14,217 and 21,928 acre-feet were pumped, for the fiscal years ended June 30, 2023 and 2022, respectively. In return, the District received approximately 51,056 and 30,843 acre-feet for the fiscal years ended June 30, 2023 and 2022, respectively, of high quality Provo River water for use in its municipal system or used for irrigation.

The District has an informal agreement with Metropolitan Water District of Salt Lake and Sandy (Metropolitan) to purchase, if available, surplus water. The District had water purchases of $726,927 and $621,894 for the fiscal years ended June 30, 2023 and 2022, respectively, under this agreement.

The District and Metropolitan jointly own the Jordan Valley Water Treatment Plant (JVWTP) and Terminal Reservoir, 71.4% by the District and 28.6% by Metropolitan, which occurred after title conveyance from CUWCD. The District and Metropolitan executed an operation and maintenance agreement with CUWCD in 1993, which provides for the operation and maintenance of the JVWTP and Terminal Reservoir by the District under the direction of a management committee, comprised of two members appointed by the District, two members appointed by Metropolitan, and one member appointed by CUWCD. Operation costs are apportioned on the basis of the volume of water (acre feet) treated and stored for the District and for Metropolitan, and maintenance costs are apportioned 71.4% to the District and 28.6% to Metropolitan. Capital improvement costs require approval of the District and Metropolitan, and if incurred, will be apportioned on the basis of benefits as determined by the management committee.

The District entered into agreements with Kennecott Utah Copper (Kennecott), and the Trustee for Natural Resources for the State of Utah to construct the Southwest Jordan Valley Groundwater Project (SWJVGWP). The project treats contaminated groundwater and distributes it to communities impacted by the contamination. As part of the project, Kennecott built and operates the Bingham Canyon Water

Treatment Plant, and has the capacity to annually produce 3,500 acre-feet of treated groundwater delivered and sold to the District. The District built and operates the Southwest Groundwater Treatment Plant (SWGWTP), and related infrastructure. The SWGWTP annually produces approximately 4,700 acre-feet of treated groundwater delivered to the District's member agencies. The SWJVGWP agreements require Kennecott and the District to operate both treatment plants through approximately 2048.

As of June 30, 2023, the District was involved in various lawsuits in the normal course of its operations. The District's management believes the outcome of these lawsuits will not have a material adverse effect on the District's financial statements.

In accordance with the District's Rules and Regulations for Wholesale Water Service, the District has in place minimum purchase "Take-or-Pay" contracts with its member agencies, which commits a member agency to pay for a specific minimum volume of water annually, regardless of whether the full amount was delivered. When a Take-or-Pay contract is enforced, a provision allows for the difference between the minimum volume and the delivered volume of water (up to 5% of the member agency's allotted minimum volume) to be delivered in the following year without additional payment. The District refers to this as Deferred Water. In addition, for a year when there are water restrictions due to drought, the amount of Deferred Water allowed, and the length of time Deferred Water will be available, increases. As of June 30, 2023, the District recognized the following Deferred Water commitments.

Member Agency	Deferred Water (Acre Feet)
Bluffdale City	70.857
Utah Division of Facilities Construction and Management	82.200
Herriman City	8.357

NOTE 10. MAJOR CUSTOMERS OR SUPPLIERS AND RELATED PARTIES

Significant transactions and balances with major customers or suppliers and related parties with common directors or officers not otherwise disclosed are as follows for the fiscal years ended June 30:

	2023	2022
Accounts receivable:		
City of West Jordan	$ 2,367,257	$ 1,472,388
City of South Jordan	1,288,384	1,261,141
Granger-Hunter Improvement District	1,248,537	1,397,268
Riverton City	556,480	271,471
Metropolitan Water District of Salt Lake and Sandy	536,706	1,522,006
Herriman City	525,741	664,812
Kearns Improvement District	491,706	511,752
Draper City	325,487	312,617
Metered sales of water:		
City of West Jordan	11,106,714	10,029,753
Granger-Hunter Improvement District	10,662,740	10,712,601
City of South Jordan	8,543,740	8,905,798
Kearns Improvement District	4,242,126	4,064,012
Herriman City	3,761,632	3,442,573
Riverton City	2,786,786	2,364,347
Draper City	2,247,720	2,160,530
Water purchase, treatment, and delivery:		
Central Utah Water Conservancy District	16,072,752	15,035,140
Metropolitan Water District of Salt Lake and Sandy	726,927	621,894
Kennecott Utah Copper	733,460	522,491

NOTE 11. SUBSEQUENT EVENTS

The District evaluated all events or transactions that occurred after June 30, 2023 through October 19, 2023, the date the District issued these financial statements.

NOTE 12. CHANGES IN ACCOUNTING PRINCIPLES

During the fiscal year ended June 30, 2023 the District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription Based Information Technology Agreements (SBITA's). For purposes of this standard, a subscription based software contract must convey control of the present service capacity of the subscription and allow the subscription payee to dictate the nature and manner of use of the IT asset. In addition, all contracts less than 12 months can be excluded from recognition on the subscription asset or liability. The District has evaluated all contracts and determined none qualify as a SBITA due to contracts less than 12 months or contracts that fail to convey control. Therefore, none of the subscription contracts have been reclassified as SBITA's.

NOTE 13. RESTATEMENT OF FINANCIAL STATEMENTS

In conjunction with the changes in accounting principles, during the fiscal year ended June 30, 2022 the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The District evaluated all lease contracts and determined none qualified as a financing leases due to contracts less than 12 months or contracts that fail to convey control. Subsequently, the District re-evaluated one lease and determined it did qualify as a financing lease and has appropriately accounted for it. The lines impacted were leases receivable and deferred inflows related to leases. This had no effect on net assets. The 2022 year has been “Restated” on the applicable statements to reflect this recognition.

REQUIRED SUPPLEMENTARY SCHEDULE

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Utah Retirement Systems (URS)
Last 10 Fiscal Years*

	2023	2022	2021
Tier 1 Noncontributory System:			
Proportion of the net liability (asset)	0.7811578%	0.7881624%	0.7817511%
Proportionate share of the net pension liability (asset)	$ 1,337,927	$ (4,513,890)	$ 400,994
Covered payroll	$ 6,971,974	$ 6,831,281	$ 6,738,194
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	19.19%	-66.08%	5.95%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.50%	108.70%	99.20%
Tier 1 Contributory System:			
Proportion of the net liability (asset)	0.6594409%	0.9320690%	0.8956644%
Proportionate share of the net pension liability (asset)	$ 67,822	$ (674,765)	$ (160,523)
Covered payroll	$ 92,594	$ 136,904	$ 147,745
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	73.25%	-492.88%	-108.65%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.70%	115.90%	103.90%
Tier 2 Public Employees System:			
Proportion of the net liability (asset)	0.1744973%	0.1540124%	0.1552252%
Proportionate share of the net pension liability (asset)	$ 190,009	$ (65,184)	$ 22,326
Covered payroll	$ 3,805,653	$ 2,857,330	$ 2,481,074
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	4.99%	-2.28%	0.90%
Plan fiduciary net position as a percentage of the total pension liability (asset)	92.30%	103.80%	98.30%

* The amount presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year trend is completed, information is presented for those years for which information is available.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability (Asset)
Utah Retirement Systems (URS)
Last 10 Fiscal Years*

	2020		2019		2018		2017		2016		2015
	0.8055526%		0.8663487%		0.8706501%		0.8651037%		0.8723349%		0.8763125%
$	3,036,022	$	6,379,552	$	3,814,579	$	5,555,025	$	4,936,095	$	3,805,155
$	7,037,615	$	7,545,686	$	7,547,608	$	7,577,152	$	7,475,563	$	7,526,123
	43.14%		84.55%		50.54%		73.31%		66.03%		50.60%
	93.70%		87.00%		91.90%		87.30%		87.80%		90.20%
	0.8965715%		1.2886544%		1.2904699%		1.0608685%		0.5856885%		0.4517125%
$	58,758	$	52,940	$	105,011	$	348,083	$	411,654	$	130,294
$	160,659	$	241,197	$	261,857	$	254,544	$	249,555	$	241,300
	36.57%		216.81%		40.10%		136.75%		164.96%		54.00%
	98.60%		91.20%		98.20%		92.90%		85.70%		94.00%
	0.1406535%		0.1345700%		0.1285404%		0.1257840%		0.1149477%		0.0975522%
$	31,634	$	56,300	$	11,333	$	14,031	$	(251)	$	(2,956)
$	1,953,911	$	1,533,715	$	1,257,853	$	1,031,528	$	742,873	$	479,057
	1.62%		3.67%		0.90%		1.36%		-0.03%		-0.60%
	96.50%		90.80%		97.40%		95.10%		100.20%		103.50%

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of Contributions
Utah Retirement Systems (URS)
Last 10 Fiscal Years*

	2023	2022	2021
Tier 1 Noncontributory System:			
Actuarial determined contributions	$ 1,184,188	$ 1,269,966	$ 1,258,058
Contributions in relation to the contractually required contributions	(1,184,188)	(1,269,966)	(1,258,058)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 6,638,278	$ 6,937,723	$ 6,814,569
Contributions as a percentage of covered payroll	17.84%	18.31%	18.46%
Tier 1 Contributory System:			
Actuarial determined contributions	$ 13,067	$ 15,411	$ 21,709
Contributions in relation to the contractually required contributions	(13,067)	(15,411)	(21,709)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 93,600	$ 106,576	$ 150,132
Contributions as a percentage of covered payroll	13.96%	14.46%	14.46%
Tier 2 Public Employees System:*			
Actuarial determined contributions	$ 701,998	$ 535,700	$ 415,477
Contributions in relation to the contractually required contributions	(701,998)	(535,700)	(415,477)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 4,384,751	$ 3,333,541	$ 2,630,097
Contributions as a percentage of covered payroll	16.01%	16.07%	15.80%
Tier 2 Defined Contribution Plan:*			
Actuarial determined contributions	$ 31,087	$ 39,495	$ 35,030
Contributions in relation to the contractually required contributions	(31,087)	(39,495)	(35,030)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 504,655	$ 590,351	$ 523,617
Contributions as a percentage of covered payroll	6.16%	6.69%	6.69%

* Contriubtions in Tier 2 incude an amortization rate to help fund the unfunded liabilities in the Tier 1 system. Tier 2 systems were created effective July 1, 2011.

** The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year treand is compiled, information is presented for those years for which information is available.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of Contributions
Utah Retirement Systems (URS)
Last 10 Fiscal Years*

2020	2019	2018	2017	2016	2015	2014
$ 1,253,148	$ 1,350,331	$ 1,403,136	$ 1,042,437	$ 1,363,526	$ 1,385,164	$ 1,296,473
(1,253,148)	(1,350,331)	(1,403,136)	(1,042,437)	(1,363,526)	(1,385,164)	$ (1,296,473)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 6,847,599	$ 7,403,023	$ 7,600,594	$ 7,609,926	$ 7,377,857	$ 7,509,531	$ 7,513,312
18.30%	18.24%	18.46%	18.43%	18.48%	18.45%	17.26%
$ 21,207	$ 28,544	$ 38,292	$ 37,277	$ 35,892	$ 35,618	$ 31,116
(21,207)	(28,544)	(38,292)	(37,277)	(35,892)	(35,618)	$ (31,116)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 146,662	$ 197,402	$ 264,813	$ 257,796	$ 248,219	$ 246,319	$ 234,309
14.46%	14.46%	14.46%	14.46%	14.46%	14.46%	13.28%
$ 352,103	$ 263,711	$ 208,843	$ 171,266	$ 137,051	$ 88,857	$ 48,403
(352,103)	(263,711)	(208,843)	(171,266)	(137,051)	(88,857)	$ (48,403)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 2,349,396	$ 1,701,722	$ 1,382,149	$ 1,148,669	$ 918,645	$ 592,419	$ 341,322
15.65%	15.50%	15.11%	14.91%	14.92%	15.00%	14.18%
$ 27,535	$ 25,945	$ 18,719	$ 14,029	$ 7,729	$ 3,713	$ 416
(27,535)	(25,945)	(18,719)	(14,029)	(7,729)	(3,713)	$ (416)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 411,583	$ 389,976	$ 275,672	$ 209,698	$ 105,186	$ 55,252	$ 2,971
6.69%	6.65%	6.79%	6.69%	7.35%	6.72%	13.99%

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Postemployment Benefits Plan
Last 10 Fiscal Years*

	2023	2022	2021
Total OPEB liability:			
Service cost	$ 196,008	$ 252,466	$ 240,325
Interest	216,472	124,808	156,612
Changes in assumptions	24,342	(794,945)	218,312
Differences between expected and acutal experience	(352,164)	511,511	(420,656)
Benefit payments	(497,207)	(393,012)	(397,241)
Net change in total OPEB liability	(412,549)	(299,172)	(202,648)
Total OPEB liability - July 1	5,342,830	5,642,002	5,844,650
Total OPEB liability - June 30	4,930,281	5,342,830	5,642,002
Plan fiduciary net position:			
Contributions - employer	497,207	393,012	397,241
Benefit payments	(497,207)	(393,012)	(397,241)
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - July 1	-	-	-
Plan fiduciary net position - June 30	-	-	-
Net OPEB liability - June 30	$ 4,930,281	$ 5,342,830	$ 5,642,002
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	$ 11,037,916	$ 10,370,478	$ 9,933,153
Total OPEB liability as a percentage of covered employee payroll	44.70%	51.50%	56.80%

* The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 75, until a full 10-year trend is compiled, information is presented for those years for which information is available.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Required Supplementary Information
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Postemployment Benefits Plan
Last 10 Fiscal Years*

2020	2019	2018
$ 178,303	$ 180,702	$ 157,789
172,759	203,203	167,717
481,012	135,443	(28,032)
416,685	(593,090)	415,749
(292,914)	(212,944)	(180,650)
955,845	(286,686)	532,573
4,888,805	5,175,491	4,642,917
5,844,650	4,888,805	5,175,490
292,914	212,944	180,650
(292,914)	(212,944)	(180,650)
-	-	-
-	-	-
-	-	-
$ 5,844,650	$ 4,888,805	$ 5,175,490
0.00%	0.00%	0.00%
$ 9,205,373	$ 9,101,707	$ 9,311,527
63.50%	53.70%	55.60%

CHANGES IN ASSUMPTIONS:

Employee Retirement Systems and Pension Plans:

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

Other Postemployment Benefits (OPEB):

The discount rate has been updated based on the yield for 20-year tax-exempt general obligation municipal bonds as of June 30, 2023 (measurement date). The discount rate is 4.09% as of June 30, 2022 and 4.13% as of June 30, 2023. The impact of this change is a slight decrease in liabilities.

The 2023 interim year valuation results have been projected from the prior year's valuation, with adjustments for actual premium rate changes from 2022 to 2023. Since the prior valuation, the District combined several health plan options, which caused a slight decrease in liabilities.

Payroll growth assumption is based on the rates used for Public Employees in the Utah Retirement System actuarial valuation as of January 1, 2021. Rates include 3.25 % general wage inflation (2.50% general inflation plus 0.75% general wage growth) plus merit/productivity increases. The assumptions from these state-wide valuations provide reasonable estimates of experience for municipal employers.

Health care trend rates have been updated to an initial trend of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

SUPPLEMENTARY SCHEDULES

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2008B-1 Revenue Refunding Bonds*

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ 3,600,000	$ 1,894,654	$ 5,494,654	$ 48,865,000
2025	3,800,000	1,755,515	5,555,515	45,065,000
2026	4,000,000	1,608,803	5,608,803	41,065,000
2027	4,200,000	1,454,518	5,654,518	36,865,000
2028	4,400,000	1,292,660	5,692,660	32,465,000
2029	2,900,000	1,157,230	4,057,230	29,565,000
2030	3,000,000	1,049,905	4,049,905	26,565,000
2031	3,200,000	937,007	4,137,007	23,365,000
2032	3,200,000	820,537	4,020,537	20,165,000
2033	3,500,000	698,494	4,198,494	16,665,000
2034	3,700,000	566,983	4,266,983	12,965,000
2035	4,000,000	424,110	4,424,110	8,965,000
2036	4,100,000	271,770	4,371,770	4,865,000
2037	2,700,000	140,600	2,840,600	2,165,000
2038	2,165,000	43,300	2,208,300	-
Total	$ 52,465,000	$ 14,116,086	$ 66,581,086	

* The Series 2008B-1 Revenue Refunding Bonds have a variable rate, and two interest rate swaps, resulting in the synthetic fixed rates of 3.356% and 3.790%. The variable interest rate is reset weekly. This amortization schedule is based on the weekly variable rate as of June 30, 2023 (4.00%). Actual interest payments will vary from this schedule.

Series 2009C Revenue Bonds

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ 157,000	$ -	$ 157,000	$ 1,714,000
2025	157,000	-	157,000	1,557,000
2026	157,000	-	157,000	1,400,000
2027	157,000	-	157,000	1,243,000
2028	157,000	-	157,000	1,086,000
2029	157,000	-	157,000	929,000
2030	157,000	-	157,000	772,000
2031	157,000	-	157,000	615,000
2032	157,000	-	157,000	458,000
2033	157,000	-	157,000	301,000
2034	157,000	-	157,000	144,000
2035	144,000	-	144,000	-
Total	$ 1,871,000	$ -	$ 1,871,000	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2014A Revenue and Revenue Refunding Bonds

	Debt Service Payments			
Year Ending June 30,	Principal	Interest	Total	Balance at End of Year
2024	$ -	$ 1,160,800	$ 1,160,800	$ 24,745,000
2025	-	1,160,800	1,160,800	24,745,000
2026	-	1,160,800	1,160,800	24,745,000
2027	-	1,160,800	1,160,800	24,745,000
2028	-	1,160,800	1,160,800	24,745,000
2029	-	1,160,800	1,160,800	24,745,000
2030	-	1,160,800	1,160,800	24,745,000
2031	-	1,160,800	1,160,800	24,745,000
2032	1,260,000	1,129,300	2,389,300	23,485,000
2033	1,325,000	1,064,675	2,389,675	22,160,000
2034	1,395,000	996,675	2,391,675	20,765,000
2035	1,465,000	925,175	2,390,175	19,300,000
2036	1,540,000	850,050	2,390,050	17,760,000
2037	1,620,000	771,050	2,391,050	16,140,000
2038	1,705,000	687,925	2,392,925	14,435,000
2039	1,790,000	600,550	2,390,550	12,645,000
2040	1,880,000	513,200	2,393,200	10,765,000
2041	1,965,000	426,300	2,391,300	8,800,000
2042	2,055,000	335,900	2,390,900	6,745,000
2043	2,150,000	241,800	2,391,800	4,595,000
2044	2,250,000	143,800	2,393,800	2,345,000
2045	2,345,000	46,900	2,391,900	-
Total	$ 24,745,000	$ 18,019,700	$ 42,764,700	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2016A Revenue Bonds

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ -	$ 1,372,000	$ 1,372,000	$ 27,440,000
2025	-	1,372,000	1,372,000	27,440,000
2026	-	1,372,000	1,372,000	27,440,000
2027	-	1,372,000	1,372,000	27,440,000
2028	-	1,372,000	1,372,000	27,440,000
2029	-	1,372,000	1,372,000	27,440,000
2030	-	1,372,000	1,372,000	27,440,000
2031	-	1,372,000	1,372,000	27,440,000
2032	-	1,372,000	1,372,000	27,440,000
2033	-	1,372,000	1,372,000	27,440,000
2034	-	1,372,000	1,372,000	27,440,000
2035	-	1,372,000	1,372,000	27,440,000
2036	-	1,372,000	1,372,000	27,440,000
2037	-	1,372,000	1,372,000	27,440,000
2038	2,170,000	1,317,750	3,487,750	25,270,000
2039	2,280,000	1,206,500	3,486,500	22,990,000
2040	2,395,000	1,089,625	3,484,625	20,595,000
2041	2,520,000	966,750	3,486,750	18,075,000
2042	2,650,000	837,500	3,487,500	15,425,000
2043	2,785,000	701,625	3,486,625	12,640,000
2044	2,925,000	558,875	3,483,875	9,715,000
2045	3,080,000	408,750	3,488,750	6,635,000
2046	3,235,000	250,875	3,485,875	3,400,000
2047	3,400,000	85,000	3,485,000	-
Total	$ 27,440,000	$ 26,631,250	$ 54,071,250	

Series 2016B Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ 645,000	$ 293,375	$ 938,375	$ 5,545,000
2025	675,000	260,375	935,375	4,870,000
2026	715,000	225,625	940,625	4,155,000
2027	755,000	188,875	943,875	3,400,000
2028	790,000	150,250	940,250	2,610,000
2029	825,000	109,875	934,875	1,785,000
2030	870,000	67,500	937,500	915,000
2031	915,000	22,875	937,875	-
Total	$ 6,190,000	$ 1,318,750	$ 7,508,750	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2017A Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments: Principal	Interest	Total	Balance at End of Year
2024	$ 880,000	$ 261,300	$ 1,141,300	$ 5,050,000
2025	910,000	229,750	1,139,750	4,140,000
2026	960,000	183,000	1,143,000	3,180,000
2027	1,010,000	133,750	1,143,750	2,170,000
2028	1,060,000	82,000	1,142,000	1,110,000
2029	1,110,000	27,750	1,137,750	-
Total	$ 5,930,000	$ 917,550	$ 6,847,550	

Series 2017B Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments: Principal	Interest	Total	Balance at End of Year
2024	$ 3,865,000	$ 2,958,425	$ 6,823,425	$ 67,425,000
2025	3,825,000	2,766,175	6,591,175	63,600,000
2026	5,220,000	2,598,775	7,818,775	58,380,000
2027	2,705,000	2,459,375	5,164,375	55,675,000
2028	2,880,000	2,319,750	5,199,750	52,795,000
2029	3,025,000	2,172,125	5,197,125	49,770,000
2030	3,360,000	2,012,500	5,372,500	46,410,000
2031	3,530,000	1,840,250	5,370,250	42,880,000
2032	3,680,000	1,660,000	5,340,000	39,200,000
2033	3,865,000	1,490,700	5,355,700	35,335,000
2034	4,005,000	1,333,300	5,338,300	31,330,000
2035	3,965,000	1,173,900	5,138,900	27,365,000
2036	4,130,000	1,012,000	5,142,000	23,235,000
2037	4,180,000	845,800	5,025,800	19,055,000
2038	4,325,000	675,700	5,000,700	14,730,000
2039	4,475,000	499,700	4,974,700	10,255,000
2040	3,275,000	344,700	3,619,700	6,980,000
2041	3,405,000	211,100	3,616,100	3,575,000
2042	3,575,000	71,500	3,646,500	-
Total	$ 71,290,000	$ 28,445,775	$ 99,735,775	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2019A Revenue Bonds

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ 505,000	$ 1,358,775	$ 1,863,775	$ 27,145,000
2025	530,000	1,332,900	1,862,900	26,615,000
2026	555,000	1,311,325	1,866,325	26,060,000
2027	575,000	1,288,625	1,863,625	25,485,000
2028	605,000	1,259,125	1,864,125	24,880,000
2029	635,000	1,228,125	1,863,125	24,245,000
2030	670,000	1,195,500	1,865,500	23,575,000
2031	705,000	1,161,125	1,866,125	22,870,000
2032	740,000	1,125,000	1,865,000	22,130,000
2033	775,000	1,087,125	1,862,125	21,355,000
2034	815,000	1,047,375	1,862,375	20,540,000
2035	860,000	1,005,500	1,865,500	19,680,000
2036	905,000	961,375	1,866,375	18,775,000
2037	950,000	915,000	1,865,000	17,825,000
2038	1,000,000	866,250	1,866,250	16,825,000
2039	1,050,000	815,000	1,865,000	15,775,000
2040	1,105,000	761,125	1,866,125	14,670,000
2041	1,160,000	704,500	1,864,500	13,510,000
2042	1,220,000	645,000	1,865,000	12,290,000
2043	1,280,000	582,500	1,862,500	11,010,000
2044	1,345,000	516,875	1,861,875	9,665,000
2045	1,415,000	447,875	1,862,875	8,250,000
2046	1,490,000	375,250	1,865,250	6,760,000
2047	1,565,000	298,875	1,863,875	5,195,000
2048	1,645,000	218,625	1,863,625	3,550,000
2049	1,730,000	134,250	1,864,250	1,820,000
2050	1,820,000	45,500	1,865,500	-
Total	$ 27,650,000	$ 22,688,500	$ 50,338,500	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Revenue Bond Debt Service Payments

Series 2021A Revenue and Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments Principal	Interest	Total	Balance at End of Year
2024	$ 2,660,000	$ 2,459,000	$ 5,119,000	$ 55,190,000
2025	2,810,000	2,322,250	5,132,250	52,380,000
2026	2,985,000	2,177,375	5,162,375	49,395,000
2027	1,880,000	2,055,750	3,935,750	47,515,000
2028	1,980,000	1,959,250	3,939,250	45,535,000
2029	2,085,000	1,857,625	3,942,625	43,450,000
2030	2,185,000	1,750,875	3,935,875	41,265,000
2031	2,305,000	1,638,625	3,943,625	38,960,000
2032	2,260,000	1,524,500	3,784,500	36,700,000
2033	2,365,000	1,420,700	3,785,700	34,335,000
2034	2,460,000	1,324,200	3,784,200	31,875,000
2035	2,555,000	1,223,900	3,778,900	29,320,000
2036	2,660,000	1,119,600	3,779,600	26,660,000
2037	2,775,000	1,010,900	3,785,900	23,885,000
2038	1,185,000	931,700	2,116,700	22,700,000
2039	1,235,000	883,300	2,118,300	21,465,000
2040	1,285,000	832,900	2,117,900	20,180,000
2041	1,335,000	780,500	2,115,500	18,845,000
2042	1,390,000	726,000	2,116,000	17,455,000
2043	1,450,000	669,200	2,119,200	16,005,000
2044	1,505,000	610,100	2,115,100	14,500,000
2045	1,570,000	548,600	2,118,600	12,930,000
2046	1,635,000	484,500	2,119,500	11,295,000
2047	1,700,000	417,800	2,117,800	9,595,000
2048	1,770,000	348,400	2,118,400	7,825,000
2049	1,840,000	276,200	2,116,200	5,985,000
2050	1,915,000	201,100	2,116,100	4,070,000
2051	1,995,000	122,900	2,117,900	2,075,000
2052	2,075,000	41,500	2,116,500	-
Total	$ 57,850,000	$ 31,719,250	$ 89,569,250	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Promissory Notes Payable Payments

Note 1

Year Ending June 30,	Note Payable Payments: Principal	Interest	Total	Balance at End of Year
2024	$ 728,000	$ 21,840	$ 749,840	$ -
Total	$ 728,000	$ 21,840	$ 749,840	

Note 2

Year Ending June 30,	Note Payable Payments: Principal	Interest	Total	Balance at End of Year
2024	$ 30,899	$ 9,101	$ 40,000	$ 176,100
2025	32,257	7,743	40,000	143,843
2026	33,676	6,324	40,000	110,167
2027	35,156	4,844	40,000	75,011
2028	36,702	3,298	40,000	38,309
2029	38,309	1,691	40,000	-
Total	$ 206,999	$ 33,001	$ 240,000	

Note 3

Year Ending June 30,	Note Payable Payments: Principal	Interest	Total	Balance at End of Year
2024	$ 457,500	$ 8,422	$ 465,922	$ -
Total	$ 457,500	$ 8,422	$ 465,922	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Requirements of the Water Conservancy Revenue Bond Resolutions and U.S. Department of Commerce, Economic Development Administration (EDA)

1. A schedule of the insurance policies in force at July 1, 2023.

2. An analysis of all funds established by the Bond Master Resolution and other funds.

3. "Net Revenues" for fiscal year 2023 exceed 1.0 times the "Aggregate Debt Service" for 2023 and "Net Revenues" and amounts maintained in the Revenue Fund for debt service for 2023 exceed 1.25 times the "Aggregate Debt Service" for 2023, as those terms are defined in the Bond Master Resolution.

4. An analysis of water billings and metered customers for the fiscal year ended June 30, 2023 is as follows:

	Retail	Wholesale	Total
Average number of metered customers	8,579	17	8,596
Amount billed for water and water service	$ 6,458,499	$ 50,208,938	$ 56,667,437
Average amount billed per customer	753	2,953,467	
Average monthly amount billed per customer	63	246,122	

There were no unmetered water customers during the fiscal year 2023. The gross volume of water sold for the fiscal year ended June 30, 2023 was 101,369 acre-feet. In accordance with the Bond Master Resolution, wholesale sales of water excludes any sales to Metropolitan Water District of Salt Lake and Sandy.

5. The rate schedule adopted in June 2023 for water to be sold by the District is as follows:

Wholesale customers	\$413.91 to \$743.26 per acre-foot based on cost of service to customer, plus monthly meter base charge based upon the size of the meter, ranging from \$25 to \$1,050.
Industrial customers	\$434.26 per acre-foot based on cost of service to customer.
Pumping surcharge (wholesale customers)	\$22.43 to \$91.91 per acre-foot is charged where pumping is required to deliver the water.
Retail customers	Tier 1 rate of \$1.70, tier 2 rate of \$2.56, tier 3 rate of \$3.84, and tier 4 rate of \$4.71 per 1,000 gallons delivered plus a monthly meter base charge based upon the size of the meter, ranging from \$3 to \$78.
	Tier thresholds for a 3/4" meter are: 1,000-9,000 gallons for tier 1, 10,000-23,000 gallons for tier 2, 24,000-53,000 for tier 3, and 54,000 gallons and higher for tier 4. Tier thresholds increase proportionately by meter size.
Pumping surcharge (retail customers)	\$0.17 to \$0.68 per 1,000 gallons is added to the retail rate in areas of the District where pumping is required to deliver the water.

6. The District's Board of Trustees is composed of the following as of June 30, 2023:

Corey L. Rushton	Chair
Karen D. Lang	Vice-Chair
John H. Taylor	Trustee – Chair of Finance Committee
Sherrie L. Ohrn	Trustee – Chair of Conservation Committee
Zach Jacob	Trustee
A. Reed Gibby	Trustee
Dawn R. Ramsey	Trustee
Mick M. Sudbury	Trustee
Barbara L. Townsend	Trustee

Other District officers are as follows:

Alan E. Packard	CEO, General Manager, Clerk
Jacob Young	Deputy General Manager, Assistant Clerk
David D. Martin	CFO / Treasurer

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Insurance Policies in Force
June 30, 2023

Description	Coverage
Commercial General Liability: Argonaut Insurance Company (expires July 1, 2024)	$1,000,000 each occurrence $3,000,000 aggregate limit with $100,000 self-insured retention
Public Officials and Employees Liability: Argonaut Insurance Company (expires July 1, 2024)	$1,000,000 each occurrence $3,000,000 aggregate limit with $100,000 self-insured retention
Business Auto Liability: Argonaut Insurance Company (expires July 1, 2024)	$1,000,000 limit per accident with $100,000 self-insured retention
Excess Liability: Argonaut Insurance Company (expires July 1, 2024)	$10,000,000 each occurrence $10,000,000 aggregate limit
Excess Liability 2nd Layer: Berkley Insurance Company (expires July 1, 2024)	$15,000,000 each occurrence $15,000,000 aggregate limit
Combined Property Coverage: AFM Property Insurance Company (expires July 1, 2024)	$500,000,000 limit with $100,000 deductible
Earth Movement and Flood: AFM Property Insurance Company (expires July 1, 2024)	$115,000,000 limit for earth movement and $10,000,000 limit for flood with 1% / $100,000 minimum deductible $5,000,000 limit for earth movement for scheduled pipelines / aqueducts
Excess Earth Movement: RSUI (expires July 1, 2024)	$15,000,000 limit for earth movement for scheduled pipelines / aqueducts
Fiduciary Insurance: Travelers (expires July 1, 2024)	$3,000,000 limit with $0 deductible
Crime Liability: Travelers (expires July 1, 2024)	$2,000,000 limit with $25,000 deductible
Director's & Officer's Liability: Great American Insurance (expires July 1, 2024)	$2,000,000 limit with $1,000 deductible
Workers Compensation Insurance: Workers Comp Fund of Utah (expires July 1, 2024)	$1,000,000 each accident $1,000,000 each employee $1,000,000 policy limit
Cyber Liability: Cowbell Palomar (expires July 1, 2024)	$2,000,000 Aggregate Limit $2,000,000 General data and media liability with $50,000 deductible
District Self Insurance Fund:	$5,217,412 balance

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Changes in Funds Established by the Revenue Bond Resolutions and Other Funds (Cash Basis)

	Operations and Maintenance Fund*	Revenue Fund*	General Equip Fund	Retail Meter Deposit Fund	Capital Projects Fund**
Balance June 30, 2022					
Cash and investments	$ 12,599,377	$ 12,799,621	$ 311,071	$ 73,903	$ 21,768,121
Additions:					
Investment income received	676,194	427,667	19,550	-	847,042
Property tax and other	26,705,534	-	-	-	-
Water sales and misc revenue	-	59,239,779	-	-	-
Bond proceeds	-	-	-	-	-
Other sources	-	-	-	159,822	1,085,934
Transfer from:					
O&M fund		-	-	-	-
Revenue fund	29,200,000	-	700,000	-	11,235,564
Project fund	-	-	-	-	34,385,814
Reserve funds	-	8,406,385	-	-	-
Restricted funds	-	-	-	-	-
Total additions	56,581,728	68,073,831	719,550	159,822	47,554,354
Deductions:					
Construction expenditure	-	-	-	-	44,309,421
Debt service	-	23,294,448	-	-	-
O&M expenditures	52,932,104	158,384	657,517	-	-
Deposits refunded	-	-	-	24,014	-
Transfers to:					
O&M fund	-	29,200,000	-	-	-
Revenue fund	-	-	-	2,731	-
Capital funds	-	11,235,564	-	-	-
Reserve funds	-	4,548,578	-	-	-
Other funds	-	-	-	-	-
Restricted funds	-	-	-	-	-
Total deductions	52,932,104	68,436,974	657,517	26,745	44,309,421
Balance June 30, 2023					
Cash and investments	$ 16,249,001	$ 12,436,478	$ 373,104	$ 206,980	$ 25,013,054

* Fund was established by the original master bond resolution.

** The Capital Projects Funds includes the Capital Projects, Capital Projects R&R and Development Fee Funds. The balances are $6,845,351, $17,975,308 and $192,395 respectively.

*** Misc. Reserve Funds include the JVWTP Maintenance and JA Maintenance Funds. The balances are $95,286 and $125,116 respectively.

****Bond Debt Service Reserve Funds include the B-1 Bond and Series 2009C. The Balances are $5,087,449 and $166,459, respectively.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Changes in Funds Established by the Revenue Bond Resolutions and Other Funds (Cash Basis)

Bond Projects Fund*	Bond Renewal and Replacement Fund*	Self Insurance Fund	Miscellaneous Reserve Funds***	Revenue Stabilization Fund	Bond Debt Service Reserves****	Total
$ 38,247,845	$ 165,693	$ 4,849,193	$ 212,076	$ 13,119,613	$ 6,002,543	$ 110,149,054
962,289	6,505	195,955	8,326	317,872	75,312	3,536,712
-	-	-	-	-	-	26,705,534
-	-	-	-	-	-	59,239,779
-	-	-	-	-	-	-
-	-	14,223	-	-	-	1,259,979
-	-	-	-	-	-	-
-	-	200,000	-	3,648,578	-	44,984,142
-	-	-	-	-	-	34,385,814
-	-	-	-	-	-	8,406,385
-	-	-	-	-	-	-
962,289	6,505	410,178	8,326	3,966,450	75,312	178,518,345
-	-	-	-	-	-	44,309,421
-	-	-	-	-	822,401	24,116,849
-	-	41,959	-	-	-	53,789,964
-	-	-	-	-	-	24,014
-	-	-	-	-	-	29,200,000
-	-	-	-	8,402,108	1,546	8,406,385
34,385,814	-	-	-	-	-	45,621,378
-	-	-	-	-	-	4,548,578
-	-	-	-	-	-	-
-	-	-	-	-	-	-
34,385,814	-	41,959	-	8,402,108	823,947	210,016,589
$ 4,824,320	$ 172,198	$ 5,217,412	$ 220,402	$ 8,683,955	$ 5,253,908	$ 78,650,810

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Net Revenues and Aggregate Debt Service

	2023	2022
Net revenues:		
Total operating revenues	$ 58,260,194	$ 55,902,375
Other revenues	32,200,800	24,853,430
	90,460,994	80,755,805
Less: operating expenses (excluding depreciation and amortization)	(51,681,785)	(45,801,411)
Net revenues	$ 38,779,209	$ 34,954,394
Aggregate debt service:		
Principal	$ 12,232,000	$ 10,662,000
Interest	11,892,055	11,229,591
Aggregate debt service	$ 24,124,055	$ 21,891,591

Net revenues divided by aggregate debt service	1.61	1.60
Minimum requirement	1.00	1.00

Net revenues	$ 38,779,209	$ 34,954,394
Amount maintained in revenue fund for debt service	6,351,419	5,791,125
Net revenues and amounts maintained for debt service	$ 45,130,628	$ 40,745,519
Aggregate debt service	$ 24,124,055	$ 21,891,591

Net revenues and amounts maintained for debt service divided by aggregate debt service	1.87	1.86
Minimum requirement	1.25	1.25

These debt service requirements are defined in the bond covenants, found in the Bond Master Resolution.

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
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JAMES E. STEWART, CPA

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*

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Jordan Valley Water Conservancy District
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 business-type activities of Jordan Valley Water Conservancy District ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 19, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those

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provisions were 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 District'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.

Gilbert & Stewart

Gilbert & Stewart
Provo, Utah
October 19, 2023

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INDENDENT AUDITORS' REPORT AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS AND INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Jordan Valley Water Conservancy District
West Jordan, Utah

Report On Compliance with General State Compliance Requirements

We have audited Jordan Valley Water Conservancy District's ("the District") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the District 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
Fraud Risk Assessment
Restricted Taxes and Related Revenues
Government Fees
Utah Retirement Systems

Management's Responsibility

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

Auditor's Responsibility

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

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

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Opinion on Compliance

In our opinion, Jordan Valley Water Conservancy District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2023.

Report On Internal Control Over Compliance

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

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

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

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

Gilbert & Stewart

Gilbert & Stewart
Provo, Utah
October 19, 2023