

**JORDAN VALLEY WATER
CONSERVANCY DISTRICT**

**BASIC FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

Years Ended June 30, 2025 and 2024

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GILBERT & STEWART

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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, 2025 and 2024, 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, 2025 and 2024, 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. 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.

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Misstatements are considered material if there is a substantial likelihood that, individually or in 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 28, 2025, 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 28, 2025

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Management's Discussion and Analysis
June 30, 2025 and 2024

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, 2025. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources increased by \$18,396,215.
- Capital assets, net of accumulated depreciation, increased by \$32,656,251.
- Total liabilities decreased by \$11,477,699.
- Net position increased by \$30,118,631.
- Operating revenues increased by \$10,222,212.
- Operating expenses increased by \$3,612,486.

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, 2025 and 2024

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 \$422,363,015 at the close of the most recent fiscal year.

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Current and other assets	\$ 178,921,478	\$ 192,741,124	\$ 93,353,064
Capital assets, net	<u>641,555,422</u>	<u>608,899,171</u>	<u>578,896,926</u>
Total assets	820,476,900	801,640,295	672,249,990
Deferred outflows of resources	<u>10,675,035</u>	<u>11,115,425</u>	<u>10,770,468</u>
Current liabilities	32,257,500	27,706,551	21,506,654
Noncurrent liabilities	<u>374,947,900</u>	<u>390,976,548</u>	<u>304,715,464</u>
Total liabilities	407,205,400	418,683,099	326,222,118
Deferred inflows of resources	<u>1,583,520</u>	<u>1,828,237</u>	<u>2,584,477</u>
Net position:			
Net investment in capital assets	297,791,975	306,403,329	279,010,657
Restricted	5,912,675	5,591,599	5,293,524
Unrestricted	<u>118,658,365</u>	<u>80,249,456</u>	<u>69,909,682</u>
Total net position	<u>\$ 422,363,015</u>	<u>\$ 392,244,384</u>	<u>\$ 354,213,863</u>

The largest portion of the District's net position (70.51% in 2025, 78.12% in 2024, and 78.77% in 2023) 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 (1.40% in 2025, 1.43% in 2024 and 1.49% in 2023) 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 (28.09% in 2025, 20.46% in 2024 and 19.74% in 2023) are unrestricted and may be used to meet the District's obligations to customers, member agencies, employees, and creditors.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Management's Discussion and Analysis
June 30, 2025 and 2024

Changes in net position

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues:			
Operating revenues – charges for services	\$ 75,714,355	\$ 65,492,143	\$ 58,260,194
Other revenues:			
Property taxes	32,755,163	32,418,920	28,647,432
Interest income	8,190,479	6,611,115	3,468,438
Intergovernmental	990,473	201,528	683,093
Other non-operating revenue	<u>805,375</u>	<u>16,152,137</u>	<u>1,675,285</u>
Total other revenues	<u>42,741,490</u>	<u>55,383,700</u>	<u>34,474,248</u>
Total revenues	<u>118,455,845</u>	<u>120,875,843</u>	<u>92,734,442</u>
Expenses:			
Operating expenses – general government	58,610,900	55,627,812	51,573,400
Depreciation and amortization	10,634,037	10,004,639	9,461,342
Interest expense	15,894,056	13,926,867	12,390,616
Other non-operating expenses	<u>3,207,129</u>	<u>3,286,004</u>	<u>2,316,231</u>
Total expenses	<u>88,346,122</u>	<u>82,845,322</u>	<u>75,741,589</u>
Income before contributions and special items	30,109,723	38,030,521	16,992,853
Capital contributions and special items	<u>8,908</u>	<u>-</u>	<u>419,343</u>
Change in net position	30,118,631	38,030,521	17,412,196
Net position, beginning of year	<u>392,244,384</u>	<u>354,213,863</u>	<u>336,801,667</u>
Net position, end of year	<u>\$ 422,363,015</u>	<u>\$ 392,244,384</u>	<u>\$ 354,213,863</u>

The District's net position increased by \$30,118,631 and \$38,030,521 for the fiscal years ended June 30, 2025 and 2024, respectively. Key elements of this increase are as follows:

- Operating revenues increased by \$10,222,212 and \$7,231,949 for the fiscal years ended June 30, 2025 and 2024, respectively, due to water rate increases, economic conditions, and growth of population.
- Property taxes increased by \$336,243 and \$3,771,488 for the fiscal years ended June 30, 2025 and 2024, respectively, due to property tax increases and new growth.
- Operating expenses, including depreciation and amortization, increased by \$3,612,486 and \$4,597,709 for the fiscal years ended June 30, 2025 and 2024, respectively, due to inflation and cost increases.
- Interest expense increased \$1,967,189 and \$1,536,251 for the fiscal years ended June 30, 2025 and 2024, respectively, due to the fluctuation of variable interest rates and amount of outstanding debt.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Management's Discussion and Analysis
June 30, 2025 and 2024

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 largest source of revenue for the District and provides 55.51% of total revenues.
- The District serves approximately 8,600 retail customers primarily in previously unincorporated areas of Salt Lake County. Retail water sales represent 7.01% of total revenues.
- Property taxes represent 27.65% 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 adopted tax rate for the fiscal year ended June 30, 2025 was 0.000321.

Capital assets

The District's investment in capital assets for its governmental activities, as of June 30, 2025 and 2024, totaled \$641,555,422 and \$608,899,171, 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 major rehabilitation 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 11800 South Zone C reservoir, distribution pipeline replacement, and purchase of the 1580 W 3860 S equipment storage building.

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

	2025	2024	2023
Capital assets:			
Utility plant in service, net	\$ 415,313,069	\$ 398,257,320	\$ 375,579,902
Construction in progress	36,774,574	25,492,819	19,807,716
Aqueduct rights and privileges, net	19,432,265	20,698,348	21,280,233
Investments in surface water resources	<u>170,035,514</u>	<u>164,450,684</u>	<u>162,229,075</u>
Total capital assets, net	<u>\$ 641,555,422</u>	<u>\$ 608,899,171</u>	<u>\$ 578,896,926</u>

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

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Management's Discussion and Analysis
June 30, 2025 and 2024

Long-term debt

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

	2025	2024	2023
Long-term debt:			
Bonds payable	\$ 339,122,000	\$ 353,984,000	\$ 275,431,000
Notes payable	143,843	176,100	1,392,499
Leases	<u>1,591,681</u>	<u>30,297</u>	<u>59,635</u>
Total outstanding long-term debt	<u>\$ 340,857,524</u>	<u>\$ 354,190,397</u>	<u>\$ 276,883,134</u>
Unamortized bond discounts and premiums	40,301,368	40,821,453	34,023,025
Less: current portion	<u>(16,138,260)</u>	<u>(12,769,554)</u>	<u>(13,557,737)</u>
Total long-term debt, net of current portion	<u><u>\$ 365,020,632</u></u>	<u><u>\$ 382,242,296</u></u>	<u><u>\$ 297,348,422</u></u>

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.

S&P Global Ratings 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 Chief Financial Officer, Jordan Valley Water Conservancy District, 8215 South 1300 West, West Jordan, Utah 84088.

JORDAN VALLEY WATER CONSERVANCY DISTRICT

Statements of Net Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and cash equivalents (note 2)	\$ 116,356,274	\$ 82,677,295
Accounts receivable:		
Salt Lake County Treasurer - property tax collections	188,506	372,291
Water - wholesale billings (note 10)	10,168,948	8,316,916
Water - retail billings	1,537,829	1,388,989
Leases (note 4)	31,423	30,387
Federal grants	252,171	201,528
Other	2,022,279	2,825,216
Prepaid expense	-	252,013
Inventories	<u>1,481,018</u>	<u>1,305,567</u>
Total current assets	<u>132,038,448</u>	<u>97,370,202</u>
Noncurrent assets:		
Restricted assets (notes 2, 5):		
Cash and cash equivalents	37,112,292	88,287,387
Investments	<u>2,648,171</u>	<u>5,073,387</u>
Total restricted assets	<u>39,760,463</u>	<u>93,360,774</u>
Leases receivable, net of current portion (note 4)	308,725	340,148
Capital assets, net (note 3)	641,555,422	608,899,171
Investments, long-term (note 2)	<u>6,813,842</u>	<u>1,670,000</u>
Total noncurrent assets	<u>688,438,452</u>	<u>704,270,093</u>
Deferred outflows of resources:		
Effective interest rate swaps (note 5)	587,116	478,835
Deferred amount on bond refundings	5,276,041	5,735,804
Deferred outflows related to pensions (note 7)	3,803,377	3,722,688
Deferred outflow related to OPEB (note 8)	<u>1,008,501</u>	<u>1,178,098</u>
Total deferred outflows of resources	<u>10,675,035</u>	<u>11,115,425</u>
Total assets and deferred outflows of resources	<u><u>\$ 831,151,935</u></u>	<u><u>\$ 812,755,720</u></u>

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT

Statements of Net Position

June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities:		
Accounts payable	\$ 7,709,241	\$ 7,450,314
Accrued interest payable	3,526,765	3,696,590
Accrued and other liabilities	1,121,342	1,021,616
Retainage payable	1,728,383	988,968
Unearned revenues	1,013,986	813,942
Current portion of long-term debt (note 5)	16,138,260	12,769,554
Current portion of other long-term liabilities (notes 5, 8)	<u>1,019,523</u>	<u>965,567</u>
Total current liabilities	<u>32,257,500</u>	<u>27,706,551</u>
Noncurrent liabilities:		
Long-term debt, net of current portion (note 5)	365,020,632	382,242,296
Net pension liability (notes 5, 7)	2,906,203	2,138,785
Other long-term liabilities, net of current portion (notes 5, 8)	<u>7,021,065</u>	<u>6,595,467</u>
Total noncurrent liabilities	<u>374,947,900</u>	<u>390,976,548</u>
Total liabilities	<u>407,205,400</u>	<u>418,683,099</u>
Deferred inflows of resources:		
Fair value of interest rate swaps (note 5)	587,116	478,835
Deferred inflows related to pensions (note 7)	10,630	13,456
Deferred inflows related to leases (note 4)	323,662	361,635
Deferred inflows related to OPEB (note 8)	<u>662,112</u>	<u>974,311</u>
Total deferred inflows of resources	<u>1,583,520</u>	<u>1,828,237</u>
Net position:		
Net investment in capital assets	297,791,975	306,403,329
Restricted (note 5):		
Renewal and replacement	435,654	414,538
Future debt service	5,477,021	5,177,061
Unrestricted (note 6)	<u>118,658,365</u>	<u>80,249,456</u>
Total net position	<u>422,363,015</u>	<u>392,244,384</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 831,151,935</u></u>	<u><u>\$ 812,755,720</u></u>

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, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Metered sales of water:		
Wholesale	\$ 65,757,153	\$ 55,846,116
Retail	8,305,850	7,477,432
Other	<u>1,651,352</u>	<u>2,168,595</u>
Total operating revenues	<u>75,714,355</u>	<u>65,492,143</u>
Operating expenses:		
Direct expenses:		
Water purchased	20,008,450	19,345,059
Operating and maintenance	20,280,901	17,783,008
General and administrative	18,321,549	18,499,745
Depreciation and amortization	<u>10,634,037</u>	<u>10,004,639</u>
Total operating expenses	<u>69,244,937</u>	<u>65,632,451</u>
Operating gain (loss)	<u>6,469,418</u>	<u>(140,308)</u>
Non-operating revenues (expenses):		
General property taxes	32,755,163	32,418,920
Interest income on investments	8,190,479	6,611,115
Net increase in fair value of investments	190,687	156,176
Gain on sale of capital assets	614,688	15,995,961
Intergovernmental revenue	990,473	201,528
Contributions to other governments	(2,842,296)	(2,550,057)
Bond issuance costs	(273,461)	(731,256)
Self insurance claims	(91,372)	(4,691)
Interest expense	<u>(15,894,056)</u>	<u>(13,926,867)</u>
Total non-operating revenues, net	<u>23,640,305</u>	<u>38,170,829</u>
Income before capital contributions	30,109,723	38,030,521
Capital contributions	<u>8,908</u>	<u>-</u>
Change in net position	30,118,631	38,030,521
Net position - beginning of year	<u>392,244,384</u>	<u>354,213,863</u>
Net position - end of year	<u><u>\$ 422,363,015</u></u>	<u><u>\$ 392,244,384</u></u>

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT

Statements of Cash Flows For the Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from customers	\$ 72,062,131	\$ 62,359,478
Other operating cash receipts	2,751,725	1,636,234
Payments to suppliers for goods and services	(37,511,602)	(35,528,718)
Payments to employees and other operating cash payments	(19,473,432)	(19,707,477)
Net cash provided by operating activities	<u>17,828,822</u>	<u>8,759,517</u>
Cash flows from non-capital financing activities:		
Property tax revenue	30,096,652	29,796,750
Intergovernmental revenue	939,830	-
Self insurance claims	(91,372)	(4,691)
Net cash provided by non-capital financing activities	<u>30,945,110</u>	<u>29,792,059</u>
Cash flows from capital and related financing activities:		
Proceeds from new bond issuance	25,398,949	100,772,674
Payments for bond issuance costs	(273,461)	(731,256)
Payments to refund bonds	(24,745,000)	-
Principal paid on revenue bonds and other contracts	(12,739,257)	(13,528,399)
Interest paid on revenue bonds and other contracts	(15,604,118)	(12,468,677)
Principal paid on leases	(389,259)	(29,339)
Acquisition and construction of capital assets	(44,288,279)	(36,432,809)
Proceeds from the sale of capital assets	707,837	16,394,360
Net cash (used) provided by capital and related financing activities	<u>(71,932,588)</u>	<u>53,976,554</u>
Cash flows from investing activities:		
Purchase of investments	(5,000,000)	-
Interest income on investments	8,237,324	6,767,291
Net decrease (increase) in restricted investments	2,425,216	(255,361)
Net cash provided by investing activities	<u>5,662,540</u>	<u>6,511,930</u>
Net (decrease) increase in cash and cash equivalents	(17,496,116)	99,040,060
Cash and cash equivalents - beginning of year	<u>170,964,682</u>	<u>71,924,622</u>
Cash and cash equivalents - end of year	<u><u>\$ 153,468,566</u></u>	<u><u>\$ 170,964,682</u></u>

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT**Statements of Cash Flows****For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating gain (loss)	\$ 6,469,418	\$ (140,308)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	10,634,037	10,004,639
Increase in accounts receivable	(1,100,543)	(2,310,373)
Decrease (increase) in prepaid expense	252,013	(10,383)
Increase in inventory	(175,451)	(491,049)
Increase in accounts payable	428,723	281,092
Increase in accrued liabilities	579,280	1,483,226
Increase in unearned revenue	200,044	813,942
Increase (decrease) in net pension, OPEB assets and liabilities	541,301	(871,269)
Total adjustments	<u>11,359,404</u>	<u>8,899,825</u>
Net cash provided by operating activities	<u>\$ 17,828,822</u>	<u>\$ 8,759,517</u>
Noncash investing, capital, and financing activities		
Contributions to other governments	\$ (2,842,296)	\$ (2,550,057)
Deferred interest on refunding debt	459,763	459,766
Change in fair value of investments	190,687	156,176
Capital contributions from developers	8,908	-
Intangible right-to-use asset	(1,950,643)	-
Lease liability right-to-use asset	1,950,643	-

See accompanying notes to the financial statements

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024. 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 and 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 nine divisions and is governed by a board of nine trustees representing the divisions, one from each 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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:

	<u>Life in Years</u>
Water lines and equipment	5 to 60
Treatment plant	40
Wells and equipment	40
Reservoirs	60
Telemetry	20
Office buildings	40
Office furniture and equipment	5 to 10
Vehicles and other equipment	4 to 10

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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 intangible properties. 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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 \$0 and \$0 as of June 30, 2025 and 2024, 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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.

NOTE 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>2025</u>	<u>2024</u>
Unrestricted:		
Cash on deposit - demand and money market	\$ 7,160,388	\$ 5,953,863
Utah Public Treasurers' Investment Fund (PTIF)	<u>109,195,886</u>	<u>76,723,432</u>
Total unrestricted cash and cash equivalents	<u>116,356,274</u>	<u>82,677,295</u>
Restricted:		
Utah Public Treasurers' Investment Fund (PTIF)	<u>37,112,292</u>	<u>88,287,387</u>
Total restricted cash and cash equivalents	<u>37,112,292</u>	<u>88,287,387</u>
Total cash and cash equivalents	<u>\$ 153,468,566</u>	<u>\$ 170,964,682</u>

The District has committed, by board designation, cash and cash equivalents and investments totaling \$101,275,331 and \$69,762,824, respectively, as of June 30, 2025 and 2024. 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025, and 2024, the District maintained cash balances of \$7,980,366 and \$7,036,444, respectively, in local financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) covering \$547,073 and \$603,949, 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, 2025 and 2024 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

The District had the following investments as of June 30, 2025:

Investment Type	Quality Ratings	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
Unrestricted:					
U.S. agency securities	AA+	\$ 3,494,620	\$ -	\$ 3,494,620	\$ -
Corporate bonds	AA+	1,670,000	-	-	1,670,000
Money market mutual funds	AAAm	1,649,222	1,649,222	-	-
Total unrestricted		6,813,842	1,649,222	3,494,620	1,670,000
Restricted:					
U.S. Treasury notes	N/A	2,648,171	-	2,648,171	-
Total restricted		2,648,171	-	2,648,171	-
Total investments		\$ 9,462,013	\$ 1,649,222	\$ 6,142,791	\$ 1,670,000

The District had the following investments as of June 30, 2024:

Investment Type	Quality Ratings	Fair Value	Investment Maturities (in years)		
			Less Than 1	1-5	6-10
Unrestricted:					
Corporate bonds	AA+	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Total unrestricted		<u>1,670,000</u>	<u>-</u>	<u>-</u>	<u>1,670,000</u>
Restricted:					
U.S. Treasury notes	N/A	<u>5,073,387</u>	<u>2,479,712</u>	<u>2,593,675</u>	<u>-</u>
Total restricted		<u>5,073,387</u>	<u>2,479,712</u>	<u>2,593,675</u>	<u>-</u>
Total investments		\$ 6,743,387	\$ 2,479,712	\$ 2,593,675	\$ 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Treasury notes	\$ 2,648,171	\$ -	\$ 2,648,171	\$ -
U.S. agency securities	3,494,620	-	3,494,620	-
Corporate bonds	1,670,000	-	1,670,000	-
Money market mutual fund	1,649,222	1,649,222	-	-
Total investments by fair value level	<u>\$ 9,462,013</u>	<u>\$ 1,649,222</u>	<u>\$ 7,812,791</u>	<u>\$ -</u>

The District had the following recurring fair value measurements as of June 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
U.S. Treasury notes	\$ 5,073,387	\$ -	\$ 5,073,387	\$ -
Corporate bonds	1,670,000	-	1,670,000	-
Total investments by fair value level	<u>\$ 6,743,387</u>	<u>\$ -</u>	<u>\$ 6,743,387</u>	<u>\$ -</u>

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:

- Money market mutual funds: quoted prices for identical investments in active markets;
- 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, 2025 and 2024

NOTE 3. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital assets not being depreciated:				
Water systems land	\$ 36,787,215	\$ -	\$ (93,149)	\$ 36,694,066
Office land	700,958	6,388,521	-	7,089,479
Construction in progress	25,492,819	21,887,826	(10,606,071)	36,774,574
Investment in surface water resources	164,450,684	5,584,830	-	170,035,514
Total capital assets not being depreciated	<u>227,431,676</u>	<u>33,861,177</u>	<u>(10,699,220)</u>	<u>250,593,633</u>
Capital assets being depreciated:				
Jordan aqueduct system	53,839,600	(483,844)	-	53,355,756
Source of supply	24,654,442	1,152,625	-	25,807,067
Water lines and equipment	269,723,997	4,843,988	-	274,567,985
Treatment plant	128,876,864	5,072,221	-	133,949,085
Wells and equipment	61,890,025	820,977	-	62,711,002
Reservoirs	37,356,997	2,764,332	-	40,121,329
Telemetry	11,806,524	45,258	-	11,851,782
Office buildings	27,077,254	6,484,171	-	33,561,425
Office furniture and equipment	2,930,264	104,859	-	3,035,123
Vehicles and other equipment	7,424,085	702,135	(221,234)	7,904,986
Lease assets (note 4)				
Water shares	-	1,791,743	-	1,791,743
Equipment	-	158,900	-	158,900
Total capital assets being depreciated	<u>625,580,052</u>	<u>23,457,365</u>	<u>(221,234)</u>	<u>648,816,183</u>
Less accumulated depreciation for:				
Jordan aqueduct system	(33,141,252)	(782,239)	-	(33,923,491)
Source of supply	(15,578,187)	(879,662)	-	(16,457,849)
Water lines and equipment	(66,206,545)	(4,798,552)	-	(71,005,097)
Treatment plant	(61,121,910)	(2,911,938)	-	(64,033,848)
Wells and equipment	(29,129,233)	(1,720,107)	-	(30,849,340)
Reservoirs	(10,105,023)	(771,441)	-	(10,876,464)
Telemetry	(9,243,353)	(453,723)	-	(9,697,076)
Office buildings	(11,532,665)	(804,776)	-	(12,337,441)
Office furniture and equipment	(2,535,453)	(72,086)	-	(2,607,539)
Vehicles and other equipment	(5,518,936)	(542,981)	221,234	(5,840,683)
Lease assets (note 4)				
Water shares	-	(199,083)	-	(199,083)
Equipment	-	(26,483)	-	(26,483)
Total accumulated depreciation	<u>(244,112,557)</u>	<u>(13,963,071)</u>	<u>221,234</u>	<u>(257,854,394)</u>
Total capital assets being depreciated, net	<u>381,467,495</u>	<u>9,494,294</u>	<u>-</u>	<u>390,961,789</u>
Net business-type capital assets	<u>\$ 608,899,171</u>	<u>\$ 43,355,471</u>	<u>\$ (10,699,220)</u>	<u>\$ 641,555,422</u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2024:

	July 1, 2023	Increases	Decreases	June 30, 2024
Capital assets not being depreciated:				
Water systems land	\$ 36,785,215	\$ 2,000	\$ -	\$ 36,787,215
Office land	700,958	-	-	700,958
Construction in progress	19,807,716	36,682,836	(30,997,733)	25,492,819
Investment in surface water resources	162,229,075	2,620,008	(398,399)	164,450,684
Total capital assets not being depreciated	<u>219,522,964</u>	<u>39,302,844</u>	<u>(31,396,132)</u>	<u>227,431,676</u>
Capital assets being depreciated:				
Jordan aqueduct system	53,638,474	201,126	-	53,839,600
Source of supply	24,323,562	330,880	-	24,654,442
Water lines and equipment	239,699,042	30,024,955	-	269,723,997
Treatment plant	127,065,206	1,811,658	-	128,876,864
Wells and equipment	60,287,678	1,602,347	-	61,890,025
Reservoirs	37,569,113	(212,116)	-	37,356,997
Telemetry	11,702,327	104,197	-	11,806,524
Office buildings	26,474,486	602,768	-	27,077,254
Office furniture and equipment	2,799,180	131,084	-	2,930,264
Vehicles and other equipment	6,906,686	610,518	(93,119)	7,424,085
Total capital assets being depreciated	<u>590,465,754</u>	<u>35,209,417</u>	<u>(93,119)</u>	<u>625,580,052</u>
Less accumulated depreciation for:				
Jordan aqueduct system	(32,358,241)	(783,011)	-	(33,141,252)
Source of supply	(14,836,568)	(741,619)	-	(15,578,187)
Water lines and equipment	(61,778,419)	(4,428,126)	-	(66,206,545)
Treatment plant	(58,207,196)	(2,914,714)	-	(61,121,910)
Wells and equipment	(27,478,232)	(1,651,001)	-	(29,129,233)
Reservoirs	(9,394,219)	(710,804)	-	(10,105,023)
Telemetry	(8,664,573)	(578,780)	-	(9,243,353)
Office buildings	(10,819,616)	(713,049)	-	(11,532,665)
Office furniture and equipment	(2,469,094)	(66,359)	-	(2,535,453)
Vehicles and other equipment	(5,085,634)	(526,421)	93,119	(5,518,936)
Total accumulated depreciation	<u>(231,091,791)</u>	<u>(13,113,884)</u>	<u>93,119</u>	<u>(244,112,557)</u>
Total capital assets being depreciated, net	<u>359,373,962</u>	<u>22,095,533</u>	<u>-</u>	<u>381,467,495</u>
Net business-type capital assets	<u>\$ 578,896,926</u>	<u>\$ 61,398,377</u>	<u>\$ (31,396,132)</u>	<u>\$ 608,899,171</u>

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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

NOTE 4. LEASES

The District, as a lessor, has entered into two lease agreements involving land and reservoir storage capacity. As of June 30, 2025 and 2024, the lease receivable was \$340,148 and \$370,535, respectively. The leases have implicit interest rates between 3.27% and 3.51%, and estimated lives of 5 to 15 years. The District recognized \$37,973 and \$37,937 of lease revenue, and \$12,613 and \$13,614 of interest income for the fiscal years ended June 30, 2025 and 2024, respectively.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 31,423	\$ 11,577	\$ 43,000
2027	32,495	10,505	43,000
2028	29,092	9,408	38,500
2029	19,450	8,675	28,125
2030	20,133	7,992	28,125
2031 - 2035	118,930	28,727	147,657
2036 - 2038	<u>88,625</u>	<u>6,293</u>	<u>94,918</u>
Total	<u>\$ 340,148</u>	<u>\$ 83,177</u>	<u>\$ 423,325</u>

The District, as a lessee, has entered into two lease agreements involving water shares and equipment. As of June 30, 2025 and 2024, the lease liability was \$1,591,681 and \$30,297 respectively. The leases have implicit interest rates between 3.27% and 5.99%, and estimated lives of 6 to 10 years. The District made \$389,259 and \$29,338 of principal, and \$61,105 and \$1,950 of interest payments for the fiscal years ended June 30, 2025 and 2024, respectively. The District has recorded an intangible right-to-use lease asset and accumulated amortization, included in the capital assets (see note 3).

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 172,584	\$ 59,052	\$ 231,636
2027	185,242	52,430	237,672
2028	198,558	45,329	243,887
2029	212,569	37,725	250,294
2030	227,298	29,591	256,889
2031 - 2035	<u>595,430</u>	<u>39,837</u>	<u>635,267</u>
Total	<u>\$ 1,591,681</u>	<u>\$ 263,964</u>	<u>\$ 1,855,645</u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

NOTE 5. LONG-TERM DEBT

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

	<u>2025</u>	<u>2024</u>
Water revenue bonds:		
Series 2008 B-1 revenue refunding bonds payable, dated April 22, 2008; interest payable monthly at a variable weekly rate (1.95% at June 30, 2025), maturing in annual installments through 2038	\$ 45,065,000	\$ 48,865,000
Series 2009C revenue bonds payable, dated February 24, 2010; 0.00% interest rate; maturing in annual installments through 2035	1,557,000	1,714,000
Series 2014A revenue bonds and revenue refunding bonds payable, dated July 2, 2014; interest payable semi-annually at 4.00% to 5.00%; refunded by series 2025A bonds	-	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	4,870,000	5,545,000
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	4,140,000	5,050,000
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	63,600,000	67,425,000
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	26,615,000	27,145,000
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	52,380,000	55,190,000
Series 2024A revenue bonds payable, dated January 30, 2024; interest payable semi-annually at 5.00%; maturing in annual installments through 2055.	90,865,000	90,865,000
Series 2025A revenue refunding bonds payable, dated January 29, 2025; interest payable semi-annually at 5.00%; maturing in annual installments through 2045.	22,590,000	-
Total water revenue bonds	<u>339,122,000</u>	<u>353,984,000</u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

	2025	2024
Notes payable and lease liabilities:		
Notes payable, dated October 14, 2009; interest compounded annually at 4.40%, maturing in annual installments through 2029	143,843	176,100
Lease liabilities (see note 4)	1,591,681	30,297
Total notes payable and lease liabilities	1,735,524	206,397
Total water revenue bonds, notes payable, and lease liabilities	340,857,524	354,190,397
Unamortized bond discounts and premiums	40,301,368	40,821,453
Less: current portion	(16,138,260)	(12,769,554)
Total long-term debt, net of current portion	365,020,632	382,242,296
Other long-term liabilities, net of current portion (see table below)	9,927,268	8,734,252
	<u>\$ 374,947,900</u>	<u>\$ 390,976,548</u>

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2025:

	July 1, 2024	Additions	Reductions	June 30, 2025	Due in One Year
Bonds payable:					
Revenue and revenue refunding bonds	\$ 353,984,000	\$ 22,590,000	\$ (37,452,000)	\$ 339,122,000	\$ 15,932,000
Other long-term debt:					
Unamortized bond discounts and premiums	40,821,453	2,808,946	(3,329,031)	40,301,368	-
Notes payable	176,100	-	(32,257)	143,843	33,676
Lease liabilities	30,297	1,950,643	(389,259)	1,591,681	172,584
Total long-term debt	<u>395,011,850</u>	<u>27,349,589</u>	<u>(41,202,547)</u>	<u>381,158,892</u>	<u>16,138,260</u>
Other long-term liabilities:					
Compensated absences	2,135,067	196,460	-	2,331,527	1,019,523
Post employment benefit liability	5,425,967	866,533	(583,439)	5,709,061	-
Net pension liability	2,138,785	767,418	-	2,906,203	-
Total other long-term liabilities	<u>9,699,819</u>	<u>1,830,411</u>	<u>(583,439)</u>	<u>10,946,791</u>	<u>1,019,523</u>
	<u>\$ 404,711,669</u>	<u>\$ 29,180,000</u>	<u>\$ (41,785,986)</u>	<u>\$ 392,105,683</u>	<u>\$ 17,157,783</u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2024:

	July 1, 2023	Additions	Reductions	June 30, 2024	Due in One Year
Bonds payable:					
Revenue and revenue refunding bonds	\$ 275,431,000	\$ 90,865,000	\$ (12,312,000)	\$ 353,984,000	\$ 12,707,000
Other long-term debt:					
Unamortized bond discounts and premiums	34,023,025	9,907,674	(3,109,246)	40,821,453	-
Notes payable	1,392,499	-	(1,216,399)	176,100	32,257
Lease liabilities	59,635	-	(29,338)	30,297	30,297
Total long-term debt	<u>310,906,159</u>	<u>100,772,674</u>	<u>(16,666,983)</u>	<u>395,011,850</u>	<u>12,769,554</u>
Other long-term liabilities:					
Compensated absences	1,671,414	463,653	-	2,135,067	965,567
Post employment benefit liability	4,930,281	903,399	(407,713)	5,425,967	-
Net pension liability	1,595,758	908,891	(365,864)	2,138,785	-
Total other long-term liabilities	<u>8,197,453</u>	<u>2,275,943</u>	<u>(773,577)</u>	<u>9,699,819</u>	<u>965,567</u>
	<u>\$ 319,103,612</u>	<u>\$ 103,048,617</u>	<u>\$ (17,440,560)</u>	<u>\$ 404,711,669</u>	<u>\$ 13,735,121</u>

Future maturities of bonds and notes payable are as follows for the fiscal years ending June 30:

	Principal	Interest	Total
2026	\$ 15,965,676	\$ 14,771,620	\$ 30,737,296
2027	12,722,156	14,213,380	26,935,536
2028	13,388,702	13,659,776	27,048,478
2029	12,330,309	13,094,539	25,424,848
2030	11,877,000	12,543,823	24,420,823
2031 - 2035	68,622,000	54,195,346	122,817,346
2036 - 2040	70,300,000	39,571,090	109,871,090
2041 - 2045	60,230,000	24,822,000	85,052,000
2046 - 2050	43,890,000	12,222,500	56,112,500
2051 - 2055	29,940,000	3,527,400	33,467,400
Total	<u>\$ 339,265,843</u>	<u>\$ 202,621,474</u>	<u>\$ 541,887,317</u>

Variable interest rate

As of June 30, 2025, the variable interest rate on the Series B-1 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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 \$14,200,000 and \$12,900,000 representing partial amounts of the Series B-1 bond. The BNY swap agreements maintain 3.356% and 3.790% fixed rates of interest, and will expire on August 18, 2027.

The fair values of these interest rate swaps of \$(258,652) and \$(328,464) as of June 30, 2025 and \$(174,079) and \$(304,756) as of June 30, 2024, 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, 2025, 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, 2025, BNY was rated Aa2 and AA- by Moody's Ratings and S&P Global Ratings, 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, 2025, debt service requirements of the Series B-1 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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
2026	\$ 4,000,000	\$ 839,768	\$ 418,178	\$ 5,257,946
2027	4,200,000	759,818	379,718	5,339,536
2028	4,400,000	675,968	180,014	5,255,982
2029	2,900,000	604,793	-	3,504,793
2030	3,000,000	547,268	-	3,547,268
2031 - 2035	17,600,000	1,773,040	-	19,373,040
2036 - 2038	8,965,000	224,495	-	9,189,495
Total	<u>\$ 45,065,000</u>	<u>\$ 5,425,150</u>	<u>\$ 977,910</u>	<u>\$ 51,468,060</u>

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 January 30, 2024, the District issued \$90,865,000 of water revenue bonds, Series 2024A. The Series 2024A bonds were issued at a premium of \$9,907,674, average coupon rate of 5.00%, true interest cost of 4.17%, and mature over 30 years. The proceeds from this issuance, less \$731,256 to pay the cost of issuing the bonds, will be used to fund various capital construction projects.

On January 29, 2025, the District issued \$22,590,000 of water revenue refunding bonds, Series 2025A. The Series 2025A bonds were issued at a premium of \$2,808,946, average coupon rate of 5.00%, true interest cost of 3.86%, and mature over 20 years. The proceeds from this issuance, less \$273,461 to pay the cost of issuing the bonds, were used to refund Series 2014A bonds in the amount of \$24,745,000, reducing future debt service payments through 2045 by \$2,642,725 and resulting in present value economic gain of \$1,803,203.

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:
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

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

2021A	October 1, 2032	October 1, 2031
2024A	October 1, 2032	October 1, 2031
2025A	October 1, 2035	October 1, 2034

The District has the right to purchase bonds in lieu of certain redemptions, related to its series B-I 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 (\$7,759,838 as of June 30, 2025). As of June 30, 2025, the balance of cash and investments in the fund was \$20,241,750.

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 (\$7,900,000 as of June 30, 2025). Property tax revenues are received directly into this fund. As of June 30, 2025, the balance of cash and investments in the fund was \$13,548,867.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025, the balance of cash and investments in this fund was \$329,919.

This balance was comprised of \$191,082 held in the bond renewal and replacement fund and \$138,837 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, 2025, the total balance of cash and investments in these funds was \$5,464,451.

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, 2025, the balance of cash and investments was \$33,847,907.

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:

	2025	2024
Bond renewal and replacement fund	\$ 191,082	\$ 181,820
Jordan Valley Water Treatment Plant maintenance fund	105,735	100,610
Jordan Aqueduct maintenance fund	138,837	132,108
Development fee fund	-	-
Bond cash accounts	12,570	6,811
Principal and interest funds:		
B-I reserve	5,289,529	5,004,709
2009C reserve	174,922	165,541
Total restricted net position	<u>\$ 5,912,675</u>	<u>\$ 5,591,599</u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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.

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 and Short-Term Operating Reserve Funds

These funds were 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
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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:

	<u>2025</u>	<u>2024</u>
Committed:		
Bond covenant - minimum balances	\$ 15,659,838	\$ 14,723,625
Capital projects fund	74,475,591	41,937,874
Emergency reserve / self-insurance fund	6,081,540	5,581,428
General equipment fund	590,592	522,095
Revenue stabilization and short-term operating reserve funds	7,181,333	6,530,780
Retail deposit fund	325,526	373,438
Jordan Valley Conservation Gardens Foundation	47,073	93,584
Uncommitted	<u>14,296,872</u>	<u>10,486,632</u>
Total unrestricted net position	<u>\$ 118,658,365</u>	<u>\$ 80,249,456</u>

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

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
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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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025 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	16.97%	N/A
Tier 1 Contributory System	1.00%	5.00%	12.96%	N/A
Tier 2 Public Employees System	0.70%	N/A	15.19%	0.00%
Tier 2 Defined Contribution Plan	N/A	N/A	5.19%	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, 2025, the employer and employee contributions were as follows:

	Employer	Employee
Tier 1 Noncontributory System	\$ 1,058,559	N/A
Tier 1 Contributory System	13,712	6,348
Tier 2 Public Employees System	884,345	40,753
Tier 2 Defined Contribution Plan	56,644	N/A
Total contributions	<u>\$ 2,013,260</u>	<u>\$ 47,101</u>

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

As of June 30, 2025, the District reported a net pension asset of \$0 and a net pension liability of \$2,906,203.

	Measurement Date: December 31, 2024			Proportionate Share December 31, 2023	Change (decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Tier 1 Noncontributory System	\$ -	\$ 2,251,269	0.7099294%	0.7339882%	-0.0240588%
Tier 1 Contributory System	-	105,333	0.8404748%	0.7057855%	0.1346893%
Tier 2 Public Employees System	-	549,601	0.1842822%	0.1942031%	-0.0099209%
Total net pension asset / liability	<u>\$ -</u>	<u>\$ 2,906,203</u>			

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

The net pension asset and liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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, 2025, the District recognized pension expense for the plans as follows:

	<u>Pension Expense</u>
Tier 1 Noncontributory System	\$ 2,064,457
Tier 1 Contributory System	30,763
Tier 2 Public Employees System	<u>599,943</u>
Total	<u><u>\$ 2,695,163</u></u>

As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			
	<u>Tier 1 Non- contributory System</u>	<u>Tier 1 Contributory System</u>	<u>Tier 2 Public Employees System</u>	<u>Total</u>
Differences between expected and actual experience	\$ 1,341,432	\$ -	\$ 237,597	\$ 1,579,029
Changes in assumptions	186,221	-	183,560	369,781
Net difference between projected and actual earnings on pension plan investments	678,118	56,554	35,128	769,800
Changes in proportion and differences between contributions and proportionate share of contributions	1,402	-	84,417	85,819
Contributions subsequent to the measurement date	<u>511,661</u>	<u>6,643</u>	<u>480,644</u>	<u>998,948</u>
Total	<u><u>\$ 2,718,834</u></u>	<u><u>\$ 63,197</u></u>	<u><u>\$ 1,021,346</u></u>	<u><u>\$ 3,803,377</u></u>

	<u>Deferred Inflows of Resources</u>			
	<u>Tier 1 Non- contributory System</u>	<u>Tier 1 Contributory System</u>	<u>Tier 2 Public Employees System</u>	<u>Total</u>
Differences between expected and actual experience	\$ -	\$ -	\$ 3,786	\$ 3,786
Changes in assumptions	-	-	57	57
Changes in proportion and differences between contributions and proportionate share of contributions	<u>534</u>	<u>-</u>	<u>6,253</u>	<u>6,787</u>
Total	<u><u>\$ 534</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,096</u></u>	<u><u>\$ 10,630</u></u>

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

The \$998,948 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to the fiscal year ended June 30, 2025, but subsequent to the measurement date of December 31, 2024. 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:

Years Ending December 31,	Deferred Outflows (Inflows) of Resources			
	Tier 1 Non-contributory System	Tier 1 Contributory System	Tier 2 Public Employees System	Total
2025	\$ 1,291,593	\$ (471)	\$ 63,036	\$ 1,354,158
2026	1,240,451	80,677	97,567	1,418,695
2027	(275,158)	(20,289)	41,974	(253,474)
2028	(50,246)	(3,362)	51,788	(1,821)
2029	-	-	122,935	122,935
Thereafter	-	-	153,307	153,307

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.5 – 9.5%, 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement 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, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class 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:

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Real Rate of Return
Asset class:			
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

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	\$ 9,521,018	\$ 2,251,269	\$ (3,845,699)
Tier 1 Contributory System	447,417	105,333	(187,108)
Tier 2 Public Employees System	1,641,526	549,601	(299,808)
Total	\$ 11,609,961	\$ 2,906,203	\$ (4,332,615)

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

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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:

	2025	2024	2023
401(k) Plan			
Employer contributions	\$ 119,209	\$ 85,907	\$ 60,569
Employee contributions	82,135	71,891	57,104
457(b) Plan			
Employer contributions	3,166	2,954	7,447
Employee contributions	132,839	163,079	140,155
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	79,602	57,927	62,883
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	6,998	1,710	400

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 and its employees. 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 \$1,256,480 and \$1,260,225 for the fiscal years ended June 30, 2025 and 2024, 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025, the following employees were covered by the benefit terms:

Active employees	157
Active employees (opt-out of health insurance)	6
Inactive employees (retired participants)	<u>10</u>
Total	<u><u>173</u></u>

Changes in the Net OPEB Liability

The following presents the changes in the net OPEB liability for the fiscal year ended June 30, 2025:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2024	\$ 5,425,967	\$ -	\$ 5,425,967
Changes for the year:			
Service cost	236,799	-	236,799
Interest	229,781	-	229,781
Changes in assumptions	69,305	-	69,305
Differences between expected and actual experience	161,051	-	161,051
Benefit payments	(413,842)	(413,842)	-
Employer contributions	<u>-</u>	<u>413,842</u>	<u>(413,842)</u>
Net changes	<u>283,094</u>	<u>-</u>	<u>283,094</u>
Balances as of June 30, 2025	<u><u>\$ 5,709,061</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,709,061</u></u>
Plan fiduciary net position as a percentage of total OPEB liability		0.00%	
Covered employee payroll		\$12,731,918	
Net OPEB liability as a percentage of covered employee payroll		44.80%	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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

As of June 30, 2025, the District recognized OPEB expense of \$554,334 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	\$ 612,223	\$ (321,423)
Changes in assumptions	396,278	(340,689)
Net difference between projected and actual earnings on OPEB plan investments	-	-
	<u>\$ 1,008,501</u>	<u>\$ (662,112)</u>

The balance as of June 30, 2025 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
2026	\$ 104,673
2027	(23,567)
2028	5,338
2029	45,828
2030	92,658
Thereafter	121,459

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, 2025 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, 2025 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	3.50%
Discount rate	5.20%
Payroll growth	Based on the rates used for public employee in the URS systems
Health care cost trend rates	Initial rate of 8.0% decreasing to an ultimate rate of 4.5%

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025 actuarial valuation, entry age normal level percentage of salary cost method was used. The actuarial assumptions included a 5.20% unfunded discount rate and an annual health care cost trend rate of 8.0% 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 5.20% as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.20%) or 1% higher (6.20%) than the current discount rate.

	1% Decrease (4.20%)	Discount (5.20%)	1% Increase (6.20%)
Net OPEB liability	\$ 6,226,725	\$ 5,709,061	\$ 5,242,155

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 8.0% decreasing to an ultimate rate of 4.5% as well as what the District's net OPEB liability would be if it were calculated using a rate that is 1% lower (7.0% decreasing to an ultimate rate of 3.5%) or 1% higher (9.0% decreasing to an ultimate rate of 5.5%).

	1% Decrease (7.0% decreasing to 3.5%)	Health Care Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
Net OPEB liability	\$ 5,108,750	\$ 5,709,061	\$ 6,410,183

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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025 and 2024, 54,751 and 25,979 acre-feet of Project Water was delivered to the District, respectively. Under a separate contract, the District returned 6,300 acre-feet of Project Water to CUWCD 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 2026 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 27,663 and 25,185 acre-feet, of which, 21,111 and 17,730 acre-feet were pumped, for the fiscal years ended June 30, 2025 and 2024, respectively. In return, the District received approximately 42,587 and 62,300 acre-feet for the fiscal years ended June 30, 2025 and 2024, respectively, of high quality Provo River water, which may include extra allotment 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 additional surplus water or have Metropolitan treat and transport District source water for delivery back into the District's system. No water was purchased for the fiscal years ended June 30, 2025 and 2024, respectively. Metropolitan treated and transported 954 acre-feet and 1,177 acre-feet at a cost of \$778,309 and \$617,281 for the fiscal years ended June 30, 2025 and 2024, 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.

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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, 2025, 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, 2025, the District recognized the following Deferred Water commitments.

Member Agency	Deferred Water (Acre Feet)
Utah Division of Facilities Construction and Management	27.400

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Financial Statements
June 30, 2025 and 2024

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:

	2025	2024
Accounts receivable:		
City of West Jordan	\$ 2,037,672	\$ 1,890,396
City of South Jordan	1,897,537	1,665,616
Granger-Hunter Improvement District	1,785,751	1,461,727
Herriman City	1,696,790	924,897
Metropolitan Water District of Salt Lake and Sandy	1,565,826	1,442,783
Kearns Improvement District	809,836	738,247
Draper City	470,697	401,044
Riverton City	357,624	348,787
Bluffdale City	353,659	310,805
Metered sales of water:		
City of West Jordan	13,759,251	12,233,367
Granger-Hunter Improvement District	12,611,605	10,236,736
City of South Jordan	11,800,746	9,967,432
Herriman City	6,475,903	5,047,947
Kearns Improvement District	5,669,858	4,973,811
Riverton City	4,334,763	3,363,609
Draper City	2,999,532	2,456,121
Bluffdale City	2,196,608	2,128,177
Water purchase, treatment, and delivery:		
Central Utah Water Conservancy District	16,596,731	16,552,180
Metropolitan Water District of Salt Lake and Sandy	778,309	617,281
Kennecott Utah Copper	763,021	664,759

NOTE 11. SUBSEQUENT EVENTS

The District evaluated all events or transactions that occurred after June 30, 2025, through October 28, 2025, the date the District issued these financial statements.

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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*

	2025	2024	2023
Tier 1 Noncontributory System:			
Proportion of the net liability (asset)	0.7099294%	0.7339882%	0.7811578%
Proportionate share of the net pension liability (asset)	\$ 2,251,268	\$ 1,702,533	\$ 1,337,927
Covered payroll	\$ 6,356,023	\$ 6,616,964	\$ 6,971,974
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	35.42%	25.73%	19.19%
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.02%	96.90%	97.50%
Tier 1 Contributory System:			
Proportion of the net liability (asset)	0.8404748%	0.7057855%	0.6594409%
Proportionate share of the net pension liability (asset)	\$ 105,333	\$ 58,258	\$ 67,822
Covered payroll	\$ 104,386	\$ 94,962	\$ 92,594
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	100.91%	61.35%	73.25%
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.25%	98.20%	97.70%
Tier 2 Public Employees System:			
Proportion of the net liability (asset)	0.1842822%	0.1942031%	0.1744973%
Proportionate share of the net pension liability (asset)	\$ 549,601	\$ 377,993	\$ 190,009
Covered payroll	\$ 5,459,070	\$ 5,020,825	\$ 3,805,653
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.07%	7.53%	4.99%
Plan fiduciary net position as a percentage of the total pension liability (asset)	87.44%	89.58%	92.30%

* The amount presented for each fiscal year were determined as of December 31.

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*

2022	2021	2020	2019	2018	2017	2016
0.7881624%	0.7817511%	0.8055526%	0.8663487%	0.8706501%	0.8651037%	0.8723349%
\$ (4,513,890)	\$ 400,994	\$ 3,036,022	\$ 6,379,552	\$ 3,814,579	\$ 5,555,025	\$ 4,936,095
\$ 6,831,281	\$ 6,738,194	\$ 7,037,615	\$ 7,545,686	\$ 7,547,608	\$ 7,577,152	\$ 7,475,563
-66.08%	5.95%	43.14%	84.55%	50.54%	73.31%	66.03%
108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%
0.9320690%	0.8956644%	0.8965715%	1.2886544%	1.2904699%	1.0608685%	0.5856885%
\$ (674,765)	\$ (160,523)	\$ 58,758	\$ 52,940	\$ 105,011	\$ 348,083	\$ 411,654
\$ 136,904	\$ 147,745	\$ 160,659	\$ 241,197	\$ 261,857	\$ 254,544	\$ 249,555
-492.88%	-108.65%	36.57%	216.81%	40.10%	136.75%	164.96%
115.90%	103.90%	98.60%	91.20%	98.20%	92.90%	85.70%
0.1540124%	0.1552252%	0.1406535%	0.1345700%	0.1285404%	0.1257840%	0.1149477%
\$ (65,184)	\$ 22,326	\$ 31,634	\$ 56,300	\$ 11,333	\$ 14,031	\$ (251)
\$ 2,857,330	\$ 2,481,074	\$ 1,953,911	\$ 1,533,715	\$ 1,257,853	\$ 1,031,528	\$ 742,873
-2.28%	0.90%	1.62%	3.67%	0.90%	1.36%	-0.03%
103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%

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

	2025	2024	2023
Tier 1 Noncontributory System:			
Actuarial determined contributions	\$ 1,058,559	\$ 1,176,005	\$ 1,184,188
Contributions in relation to the contractually required contributions	<u>(1,058,559)</u>	<u>(1,176,005)</u>	<u>(1,184,188)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,290,024	\$ 6,590,943	\$ 6,638,278
Contributions as a percentage of covered payroll	16.83%	17.84%	17.84%
Tier 1 Contributory System:			
Actuarial determined contributions	\$ 13,712	\$ 13,829	\$ 13,067
Contributions in relation to the contractually required contributions	<u>(13,712)</u>	<u>(13,829)</u>	<u>(13,067)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 105,800	\$ 99,060	\$ 93,600
Contributions as a percentage of covered payroll	12.96%	13.96%	13.96%
Tier 2 Public Employees System:*			
Actuarial determined contributions	\$ 884,345	\$ 848,381	\$ 701,998
Contributions in relation to the contractually required contributions	<u>(884,345)</u>	<u>(848,381)</u>	<u>(701,998)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,821,900	\$ 5,298,879	\$ 4,384,751
Contributions as a percentage of covered payroll	15.19%	16.01%	16.01%
Tier 2 Defined Contribution Plan:*			
Actuarial determined contributions	\$ 56,644	\$ 45,634	\$ 31,087
Contributions in relation to the contractually required contributions	<u>(56,644)</u>	<u>(45,634)</u>	<u>(31,087)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,091,407	\$ 737,231	\$ 504,655
Contributions as a percentage of covered payroll	5.19%	6.19%	6.16%

* Contributions in Tier 2 include 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.

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

2022	2021	2020	2019	2018	2017	2016
\$ 1,269,966	\$ 1,258,058	\$ 1,253,148	\$ 1,350,331	\$ 1,403,136	\$ 1,042,437	\$ 1,363,526
<u>(1,269,966)</u>	<u>(1,258,058)</u>	<u>(1,253,148)</u>	<u>(1,350,331)</u>	<u>(1,403,136)</u>	<u>(1,042,437)</u>	<u>(1,363,526)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,937,723 18.31%	\$ 6,814,569 18.46%	\$ 6,847,599 18.30%	\$ 7,403,023 18.24%	\$ 7,600,594 18.46%	\$ 7,609,926 18.43%	\$ 7,377,857 18.48%
\$ 15,411	\$ 21,709	\$ 21,207	\$ 28,544	\$ 38,292	\$ 37,277	\$ 35,892
<u>(15,411)</u>	<u>(21,709)</u>	<u>(21,207)</u>	<u>(28,544)</u>	<u>(38,292)</u>	<u>(37,277)</u>	<u>(35,892)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 106,576 14.46%	\$ 150,132 14.46%	\$ 146,662 14.46%	\$ 197,402 14.46%	\$ 264,813 14.46%	\$ 257,796 14.46%	\$ 248,219 14.46%
\$ 535,700	\$ 415,477	\$ 352,103	\$ 263,711	\$ 208,843	\$ 171,266	\$ 137,051
<u>(535,700)</u>	<u>(415,477)</u>	<u>(352,103)</u>	<u>(263,711)</u>	<u>(208,843)</u>	<u>(171,266)</u>	<u>(137,051)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,333,541 16.07%	\$ 2,630,097 15.80%	\$ 2,349,396 15.65%	\$ 1,701,722 15.50%	\$ 1,382,149 15.11%	\$ 1,148,669 14.91%	\$ 918,645 14.92%
\$ 39,495	\$ 35,030	\$ 27,535	\$ 25,945	\$ 18,719	\$ 14,029	\$ 7,729
<u>(39,495)</u>	<u>(35,030)</u>	<u>(27,535)</u>	<u>(25,945)</u>	<u>(18,719)</u>	<u>(14,029)</u>	<u>(7,729)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 590,351 6.69%	\$ 523,617 6.69%	\$ 411,583 6.69%	\$ 389,976 6.65%	\$ 275,672 6.79%	\$ 209,698 6.69%	\$ 105,186 7.35%

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*

	2025	2024	2023
Total OPEB liability:			
Service cost	\$ 236,799	\$ 189,376	\$ 196,008
Interest	229,781	203,108	216,472
Changes in assumptions	69,305	254,176	24,342
Differences between expected and actual experience	161,051	256,739	(352,164)
Benefit payments	<u>(413,842)</u>	<u>(407,713)</u>	<u>(497,207)</u>
Net change in total OPEB liability	283,094	495,686	(412,549)
Total OPEB liability - July 1	<u>5,425,967</u>	<u>4,930,281</u>	<u>5,342,830</u>
Total OPEB liability - June 30	<u>5,709,061</u>	<u>5,425,967</u>	<u>4,930,281</u>
Plan fiduciary net position:			
Contributions - employer	413,842	407,713	497,207
Benefit payments	<u>(413,842)</u>	<u>(407,713)</u>	<u>(497,207)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position - July 1	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - June 30	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB liability - June 30	<u><u>\$ 5,709,061</u></u>	<u><u>\$ 5,425,967</u></u>	<u><u>\$ 4,930,281</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	\$ 12,731,918	\$ 11,795,260	\$ 11,037,916
Total OPEB liability as a percentage of covered employee payroll	44.80%	46.00%	44.70%

* 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*

2022	2021	2020	2019	2018
\$ 252,466	\$ 240,325	\$ 178,303	\$ 180,702	\$ 157,789
124,808	156,612	172,759	203,203	167,717
(794,945)	218,312	481,012	135,443	(28,032)
511,511	(420,656)	416,685	(593,090)	415,749
(393,012)	(397,241)	(292,914)	(212,944)	(180,650)
(299,172)	(202,648)	955,845	(286,686)	532,573
5,642,002	5,844,650	4,888,805	5,175,491	4,642,917
5,342,830	5,642,002	5,844,650	4,888,805	5,175,490
393,012	397,241	292,914	212,944	180,650
(393,012)	(397,241)	(292,914)	(212,944)	(180,650)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 5,342,830	\$ 5,642,002	\$ 5,844,650	\$ 4,888,805	\$ 5,175,490
0.00%	0.00%	0.00%	0.00%	0.00%
\$ 10,370,478	\$ 9,933,153	\$ 9,205,373	\$ 9,101,707	\$ 9,311,527
51.50%	56.80%	63.50%	53.70%	55.60%

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Notes to the Required Supplementary Information
June 30, 2025

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, 2025 (measurement date). The discount rate is 5.20% as of June 30, 2025 and 4.21% as of June 30, 2024. The impact of this change is an increase in liabilities.

The 2025 interim year valuation results have been projected from the prior year's valuation, with adjustments for actual premium rate changes from 2024 to 2025.

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			Balance at End of Year
	Principal	Interest	Total	
2026	\$ 4,000,000	\$ 1,257,946	\$ 5,257,946	\$ 41,065,000
2027	4,200,000	1,139,536	5,339,536	36,865,000
2028	4,400,000	855,982	5,255,982	32,465,000
2029	2,900,000	604,793	3,504,793	29,565,000
2030	3,000,000	547,268	3,547,268	26,565,000
2031	3,200,000	486,818	3,686,818	23,365,000
2032	3,200,000	424,418	3,624,418	20,165,000
2033	3,500,000	359,093	3,859,093	16,665,000
2034	3,700,000	288,893	3,988,893	12,965,000
2035	4,000,000	213,818	4,213,818	8,965,000
2036	4,100,000	134,843	4,234,843	4,865,000
2037	2,700,000	68,543	2,768,543	2,165,000
2038	2,165,000	21,109	2,186,109	-
Total	<u>\$ 45,065,000</u>	<u>\$ 6,403,060</u>	<u>\$ 51,468,060</u>	

* 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, 2025 (1.950%). Actual interest payments will vary from this schedule.

Series 2009C Revenue Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 1,557,000</u>	<u>\$ -</u>	<u>\$ 1,557,000</u>	

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

Series 2016A Revenue Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 27,440,000</u>	<u>\$ 23,887,250</u>	<u>\$ 51,327,250</u>	

Series 2016B Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 4,870,000</u>	<u>\$ 765,000</u>	<u>\$ 5,635,000</u>	

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

Series 2017A Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 4,140,000</u>	<u>\$ 426,500</u>	<u>\$ 4,566,500</u>	

Series 2017B Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 63,600,000</u>	<u>\$ 22,721,175</u>	<u>\$ 86,321,175</u>	

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

Series 2019A Revenue Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 26,615,000</u>	<u>\$ 19,996,825</u>	<u>\$ 46,611,825</u>	

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			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 52,380,000</u>	<u>\$ 26,938,000</u>	<u>\$ 79,318,000</u>	

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

Series 2024A Revenue Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2026	\$ 1,340,000	\$ 4,509,750	\$ 5,849,750	\$ 89,525,000
2027	1,405,000	4,441,125	5,846,125	88,120,000
2028	1,480,000	4,369,000	5,849,000	86,640,000
2029	1,555,000	4,293,125	5,848,125	85,085,000
2030	1,635,000	4,213,375	5,848,375	83,450,000
2031	1,720,000	4,129,500	5,849,500	81,730,000
2032	1,805,000	4,041,375	5,846,375	79,925,000
2033	1,900,000	3,948,750	5,848,750	78,025,000
2034	1,995,000	3,851,375	5,846,375	76,030,000
2035	2,100,000	3,749,000	5,849,000	73,930,000
2036	2,205,000	3,641,375	5,846,375	71,725,000
2037	2,320,000	3,528,250	5,848,250	69,405,000
2038	2,440,000	3,409,250	5,849,250	66,965,000
2039	2,565,000	3,284,125	5,849,125	64,400,000
2040	2,695,000	3,152,625	5,847,625	61,705,000
2041	2,830,000	3,014,500	5,844,500	58,875,000
2042	2,980,000	2,869,250	5,849,250	55,895,000
2043	3,130,000	2,716,500	5,846,500	52,765,000
2044	3,290,000	2,556,000	5,846,000	49,475,000
2045	3,460,000	2,387,250	5,847,250	46,015,000
2046	3,635,000	2,209,875	5,844,875	42,380,000
2047	3,825,000	2,023,375	5,848,375	38,555,000
2048	4,020,000	1,827,250	5,847,250	34,535,000
2049	4,225,000	1,621,125	5,846,125	30,310,000
2050	4,440,000	1,404,500	5,844,500	25,870,000
2051	4,670,000	1,176,750	5,846,750	21,200,000
2052	4,910,000	937,250	5,847,250	16,290,000
2053	5,160,000	685,500	5,845,500	11,130,000
2054	5,425,000	420,875	5,845,875	5,705,000
2055	5,705,000	142,625	5,847,625	-
Total	<u>\$ 90,865,000</u>	<u>\$ 84,554,625</u>	<u>\$ 175,419,625</u>	

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

Series 2025A Revenue Refunding Bonds

Year Ending June 30,	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2026	\$ -	\$ 1,129,500	\$ 1,129,500	\$ 22,590,000
2027	-	1,129,500	1,129,500	22,590,000
2028	-	1,129,500	1,129,500	22,590,000
2029	-	1,129,500	1,129,500	22,590,000
2030	-	1,129,500	1,129,500	22,590,000
2031	-	1,129,500	1,129,500	22,590,000
2032	1,140,000	1,101,000	2,241,000	21,450,000
2033	1,200,000	1,042,500	2,242,500	20,250,000
2034	1,265,000	980,875	2,245,875	18,985,000
2035	1,325,000	916,125	2,241,125	17,660,000
2036	1,395,000	848,125	2,243,125	16,265,000
2037	1,465,000	776,625	2,241,625	14,800,000
2038	1,545,000	701,375	2,246,375	13,255,000
2039	1,620,000	622,250	2,242,250	11,635,000
2040	1,705,000	539,125	2,244,125	9,930,000
2041	1,790,000	451,750	2,241,750	8,140,000
2042	1,885,000	359,875	2,244,875	6,255,000
2043	1,980,000	263,250	2,243,250	4,275,000
2044	2,085,000	161,625	2,246,625	2,190,000
2045	2,190,000	54,750	2,244,750	-
Total	<u>\$ 22,590,000</u>	<u>\$ 15,596,250</u>	<u>\$ 38,186,250</u>	

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Promissory Notes Payable Payments

Note 1

Year Ending June 30,	Note Payable Payments			Balance at End of Year
	Principal	Interest	Total	
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	<u>\$ 143,843</u>	<u>\$ 16,157</u>	<u>\$ 160,000</u>	

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, 2025.
2. An analysis of all funds established by the Bond Master Resolution and other funds.
3. "Net Revenues" for fiscal year 2025 exceed 1.0 times the "Aggregate Debt Service" for 2025 and "Net Revenues" and amounts maintained in the Revenue Fund for debt service for 2025 exceed 1.25 times the "Aggregate Debt Service" for 2025, 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, 2025 is as follows:

	Retail	Wholesale	Total
Average number of metered customers	8,595	17	8,612
Amount billed for water and water service	\$ 8,305,850	\$ 65,757,153	\$ 74,063,003
Average amount billed per customer	966	3,868,068	
Average monthly amount billed per customer	81	322,339	

There were no unmetered water customers during the fiscal year 2025. The gross volume of water sold for the fiscal year ended June 30, 2025 was 116,528 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.

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)

5. The rate schedule adopted in June 2025 for water to be sold by the District is as follows:

Wholesale customers	\$451.16 to \$759.95 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	\$497.50 per acre-foot based on cost of service to customer.
Pumping surcharge (wholesale customers)	\$22.01 to \$80.54 per acre-foot is charged where pumping is required to deliver the water.
Retail customers	<p>Tier 1 rate of \$1.73, tier 2 rate of \$2.78, tier 3 rate of \$4.75, and tier 4 rate of \$6.64 per 1,000 gallons delivered plus a monthly meter base charge based upon the size of the meter, ranging from \$3 to \$78.</p> <p>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 gallons for tier 3, and 54,000 gallons and higher for tier 4. Tier thresholds increase proportionately by meter size.</p>
Pumping surcharge (retail customers)	\$0.17 to \$0.75 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, 2025:

Corey L. Rushton	Chair
Karen D. Lang	Vice-Chair
John H. Taylor	Trustee – Chair of Finance Committee
Barbara L. Townsend	Trustee – Chair of Conservation Committee
Zach Jacob	Trustee
Andy Pierucci	Trustee
Dawn R. Ramsey	Trustee
John B. Richardson	Trustee
Mick M. Sudbury	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 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, 2024					
Cash and investments	\$ 15,520,651	\$ 13,979,675	\$ 522,095	\$ 373,438	\$ 41,123,932
Additions:					
Investment income received	857,787	796,655	39,636	-	2,326,354
Property tax and other	30,782,123	-	-	-	-
Water sales and misc revenue	-	75,135,651	-	-	-
Bond proceeds	-	-	-	-	-
Other sources	-	-	-	32,846	2,918,049
Transfer from:					
O&M fund	-	-	-	-	-
Revenue fund	24,300,000	-	900,000	-	15,487,808
Project fund	-	-	-	-	57,638,713
Reserve funds	-	5,188,806	-	-	-
Restricted funds	-	-	-	-	-
Total additions	55,939,910	81,121,112	939,636	32,846	78,370,924
Deductions:					
Capital expenditures	-	-	871,139	-	45,019,265
Debt service	-	27,840,760	-	-	-
O&M expenditures	57,911,694	445,007	-	-	-
Deposits refunded	-	-	-	79,636	-
Transfers to:					
O&M fund	-	24,300,000	-	-	-
Revenue fund	-	-	-	1,122	-
Capital funds	-	16,387,808	-	-	-
Reserve funds	-	5,885,462	-	-	-
Restricted funds	-	-	-	-	-
Total deductions	57,911,694	74,859,037	871,139	80,758	45,019,265
Balance June 30, 2025					
Cash and investments	\$ 13,548,867	\$ 20,241,750	\$ 590,592	\$ 325,526	\$ 74,475,591

* 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 \$59,946,860, \$14,528,730 and \$0 respectively.

*** Misc. Reserve Funds include the JVWTP Maintenance and JA Maintenance Funds. The balances are \$105,735 and \$138,837 respectively.

****Bond Debt Service Reserve Funds include the B-1 Bond and Series 2009C. The Balances are \$5,200,180 and \$168,969, 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
\$ 87,769,164	\$ 181,820	\$ 5,581,428	\$ 232,718	\$ 6,530,780	\$ 5,252,527	\$ 177,068,228
3,717,456	9,262	291,701	11,854	252,775	116,622	8,420,102
-	-	-	-	-	-	30,782,123
-	-	-	-	-	-	75,135,651
-	-	-	-	-	-	-
-	-	33,467	-	-	-	2,984,362
-	-	-	-	-	-	-
-	-	300,000	-	5,585,462	-	46,573,270
-	-	-	-	-	-	57,638,713
-	-	-	-	-	-	5,188,806
-	-	-	-	-	-	-
3,717,456	9,262	625,168	11,854	5,838,237	116,622	226,723,026
-	-	-	-	-	-	45,890,404
-	-	-	-	-	-	27,840,760
-	-	125,056	-	-	-	58,481,757
-	-	-	-	-	-	79,636
-	-	-	-	-	-	24,300,000
-	-	-	-	5,187,684	-	5,188,806
57,638,713	-	-	-	-	-	74,026,521
-	-	-	-	-	-	5,885,462
-	-	-	-	-	-	-
57,638,713	-	125,056	-	5,187,684	-	241,693,346
\$ 33,847,907	\$ 191,082	\$ 6,081,540	\$ 244,572	\$ 7,181,333	\$ 5,369,149	\$ 162,097,909

JORDAN VALLEY WATER CONSERVANCY DISTRICT
Schedule of Insurance Policies in Force
June 30, 2025

Description	Coverage
<u>Commercial General Liability:</u> Ascot Insurance Company (expires July 1, 2026)	\$1,000,000 each occurrence \$3,000,000 aggregate limit with \$100,000 self-insured retention
<u>Public Officials and Employment Practices Liability:</u> Ascot Insurance Company (expires July 1, 2026)	\$1,000,000 each occurrence \$3,000,000 aggregate limit with \$100,000 self-insured retention
<u>Business Auto Liability:</u> Ascot Insurance Company (expires July 1, 2026)	\$1,000,000 limit per accident with \$100,000 self-insured retention
<u>Excess Liability:</u> Ascot Insurance Company (expires July 1, 2026)	\$10,000,000 each occurrence \$10,000,000 aggregate limit
<u>Excess Liability 2nd Layer:</u> Berkley Insurance Company (expires July 1, 2026)	\$15,000,000 each occurrence \$15,000,000 aggregate limit
<u>Combined Property Coverage:</u> AFM Property Insurance Company (expires July 1, 2026)	\$500,000,000 limit with \$100,000 deductible
<u>Earth Movement and Flood:</u> AFM Property Insurance Company (expires July 1, 2026)	\$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
<u>Excess Earth Movement:</u> RSUI Indemnity Company (expires July 1, 2026)	\$15,000,000 limit for earth movement for scheduled pipelines / aqueducts
<u>Fiduciary Liability:</u> Travelers (expires July 1, 2026)	\$3,000,000 limit with \$0 deductible
<u>Crime Liability:</u> Travelers (expires July 1, 2026)	\$2,000,000 limit with \$25,000 deductible
<u>Cyber Liability:</u> Cowbell Palomar (expires July 1, 2026)	\$2,000,000 aggregate limit with \$50,000 deductible
<u>Workers Compensation:</u> Workers Comp Fund of Utah (expires July 1, 2026)	\$1,000,000 each accident \$1,000,000 each employee \$1,000,000 policy limit
District Self Insurance Fund:	\$6,081,540 balance

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

	2025	2024
Net revenues:		
Total operating revenues	\$ 75,714,355	\$ 65,492,143
Other revenues	<u>35,822,112</u>	<u>34,631,694</u>
	111,536,467	100,123,837
Less: operating expenses (excluding depreciation and amortization)	<u>(58,610,900)</u>	<u>(55,627,812)</u>
Net revenues	<u>\$ 52,925,567</u>	<u>\$ 44,496,025</u>
Aggregate debt service:		
Principal	\$ 12,707,000	\$ 12,312,000
Interest	<u>15,535,271</u>	<u>12,427,364</u>
Aggregate debt service	<u>\$ 28,242,271</u>	<u>\$ 24,739,364</u>
<hr/>		
Net revenues divided by aggregate debt service	1.87	1.80
Minimum requirement	1.00	1.00
<hr/>		
Net revenues	\$ 52,925,567	\$ 44,496,025
Amount maintained in revenue fund for debt service	<u>7,759,838</u>	<u>7,123,625</u>
Net revenues and amounts maintained for debt service	<u>\$ 60,685,405</u>	<u>\$ 51,619,650</u>
Aggregate debt service	<u>\$ 28,242,271</u>	<u>\$ 24,739,364</u>
<hr/>		
Net revenues and amounts maintained for debt service divided by aggregate debt service	2.15	2.09
Minimum requirement	1.25	1.25
<hr/>		

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



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**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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 28, 2025.

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

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 28, 2025



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

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

REPORT ON COMPLIANCE

We have audited Jordan Valley Water Conservancy District's compliance with the applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Tax Levy Revenue Recognition
- Impact Fees
- Special and Local Service Districts
- Crime Insurance for Public Treasurers
- Open and Public Meetings Act

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, 2025.

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jordan Valley Water Conservancy District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Jordan Valley Water Conservancy District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of Jordan Valley Water Conservancy District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated October 28, 2025 as item 25-1. Our opinion on compliance is not modified with respect to these matters.

Jordan Valley Water Conservancy District's response to the noncompliance findings identified in our audit is described in the accompanying letter to management dated October 28, 2025 as item 25-1. Jordan Valley

Water Conservancy District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Gilbert & Stewart

GILBERT & STEWART
Provo, UT
October 28, 2025