



APPLICATION FOR FEE WAIVER

NAME OF ORGANIZATION: City of South Jordan (SoJo Summerfest Event)
ADDRESS: 1600 W. Towne Center Drive
CITY: South Jordan STATE: UT ZIP CODE: 84095
CONTACT PERSON: Janell Payne PHONE NUMBER: 801-253-5203 EMAIL: jpayne@sjc.utah.gov

ORGANIZATION OVERVIEW (which could include mission, history, and demographics served):

The City of South Jordan is home to 75,000+ residents and is situated in the southwest portion of Salt Lake County. South Jordan City provides service oriented, responsible government, consistent with the community's values, priorities and expectations for a high quality of life, enhancing the City's fiscal health, providing professional and innovative services, and managing the City's resources, while planning for the future.

SoJo Summerfest, an annual city festival or "town days" event, provides area residents an opportunity to come together and celebrate their community. This service supports the City of South Jordan's strategic priority of fostering a connected

Have you previously requested a fee waiver from SLCo? Yes ☐ No ☒

If yes, when and for what facility?

What fees are you requesting be waived? Salt Lake County Equestrian Park Usage Fees for Hosting City Festival

Fee waiver value \$ \$5,600

Please describe your justification for requesting the fee waiver:

Approval of this request for a fee waiver will ensure the event budget go directly to Summerfest activities and avoid the need to scale back or cancel portions of the event. Support of this event in the form of a fee waiver is also in line with the Salt Lake County Parks and Recreation mission to "Improve Lives through People, Parks, and Play" without the burden of coordinating

PLEASE ATTACH:

- ☐ Copy of 501(c)(3)
- ☒ Flyer, invitation or event announcement
- ☒ Copy of independent audit. If you do not have one, please enclose a copy of current financial statements.

The undersigned hereby acknowledges that he or she has authority to bind the organization listed in the applicant. The applicant accepts the following terms and conditions as a condition of receiving and using County funds or the waiver of fees: County funds will be used solely for the purposes approved by the Mayor of Salt Lake County as applied for in this applicant. Any expenditure for purposes other than those approved will require a return of the entire grant amount and may disqualify the applicant from receiving any additional County funds. It is further understood that no grant fund will be made available to any County officer or employee or in violation of the requirements of the Public Employees Ethics Act (67-16-1 et seq.). No grant funds will be used for political or campaign purposes. As a further condition of the grant, all County funds may be subject to an audit as required by Salt Lake County. The grantee is required to complete the Disbursement of Funds Report Form for contributions more than \$2,500.00.

Dated 03/02/21

Applicant Signature Janell Payne
Digitally signed by Janell Payne
Date: 2021.03.02 14:21:04
+07'00'

Dawn R. Ramsey, *Mayor*
Patrick Harris, *Council Member*
Bradley G. Marlor, *Council Member*
Donald J. Shelton, *Council Member*
Tamara Zander, *Council Member*
Jason T. McGuire, *Council Member*



PH: 801.446-HELP @SouthJordanUT

February 1, 2021

Ms. Yocom & Mr. Hayes,

SoJo Summerfest is South Jordan's much anticipated annual town days festival. We have appreciated Salt Lake County's annual support in allowing us areas to stage our fireworks and parade at the adjacent Equestrian Park facilities.

Due to recent growth, it has become challenging to host additional activities during Summerfest within South Jordan City Park. This growth, coupled with an increased need for space to accommodate social distancing requirements, has prompted City staff to look for an alternate host locations. After initial inquiries to Equestrian Park staff, we understand that the Polo Field space, as well as the usual parade and firework staging areas, are all available on our anticipated event dates: September 13-18. South Jordan City requests that Salt Lake County provide the areas listed at no or reduced rental cost for South Jordan's 2021 Summerfest.

While the COVID-19 pandemic has brought many challenges, recognizing and celebrating community spirit at South Jordan Summerfest is a high priority. This additional event space will aid us in accomplishing our goal.

We appreciate your consideration and are more than happy to provide any additional information as consider our request.

Sincerely,

Dawn R. Ramsey
Mayor

SoJo
SUMMERFEST
Where Summer Begins

MAY 29 - JUNE 1



SOUTH JORDAN

MAYOR'S WELCOME

Dear Friends and Neighbors,

Welcome to our Summerfest Celebration!

It is my privilege to invite you to join us as we kick off summer and celebrate the rich traditions we have here in South Jordan. SoJo Summerfest will be held May 29 through June 1 and will be bigger and better than ever. This year we are attempting to break a World Record for the "Most People Simultaneously Flipping a Water Bottle" on Saturday, June 1 at 2:00 pm in the Tennis Courts. This will be an addition to all of the other amazing activities we have planned including golf, food trucks, BMX demos, a Movie in the Moonlight, Battle of the Bands, chalk art, a petting zoo, bingo, mermaids in the pool, kids zone, a 5k race & 1 mile kids run, Scales and Tails, puppet shows, Megan the Bubbleologist, a classic car show, firefighter challenge, foam fun, and of course our fantastic parade, carnival, and fireworks!



South Jordan is a wonderful place due to the amazing people we have here. Summerfest is an opportunity for us to come together as families and friends, to make memories, renew old relationships, and start new ones. Whether you were raised in the city, have recently moved in, or are just visiting, we hope you'll enjoy the friendliness of the good people who live here and will come back and join us every year as we kick off summer with our SoJo Summerfest Celebration.

I sincerely appreciate the efforts of our outstanding employees, countless volunteers, and all those who work tirelessly to make Summerfest such a great success. To each of you who help with this event, and to those who keep us safe while we enjoy it, we say thank you.

With that, I hope you'll grab your sunscreen and plan to join us for this wonderful kickoff to the season. Summerfest is sure to be an experience you'll enjoy and I look forward to seeing you there. Please remember to use the hashtag #sojosummerfest when you post about your fun on social media.

Now, welcome to Summerfest, and let the fun begin!

Sincerely,

A handwritten signature in black ink that reads "Dawn R. Ramsey". The signature is fluid and cursive.

Dawn R. Ramsey

Mayor

City of South Jordan

City Council Members



Patrick Harris
District #1



Brad Marlor
District #2



Don Shelton
District #3



Tamara Zander
District #4



Jason McGuire
District #5

www.sjcsummerfest.com

SOUTH JORDAN CITY PRESENTS BATTLE OF THE BANDS

WITH ALEX BOYÉ

FINALISTS

ALL FINALISTS PERFORM LIVE
MAY 31, 2019
ADMISSION: FREE

PROFESSIONAL FINALISTS

ACACIA RIDGE

MICHAEL BARROW
& THE TOURISTS

MOODLITE

BEHIND THE
WHEAT GRINDER

JACOB T. SKEEN

SARAH DEGRAW
& THE BAND

STUDENT FINALISTS

THE SANDFISH

PSYCHEDELIC PURPLE

THE MCSWIZZLES

LAST MINUTE TAKEOUT



SoJo
SUMMERFEST
Where Summer Begins

11000 S. REDWOOD ROAD

Audio Inn
recording



MAY 29 - JUNE 1

Wednesday Schedule

4:00 PM

Mulligans Jr. Bash
4:00 PM-6:00 PM

6:00 PM

Thursday Schedule

4:00 PM

Car Seat Check - At Fire Station 61
4:00 PM-5:00 PM

5:00 PM

6:00 PM

7:00 PM

8:00 PM

9:00 PM

10:00 PM

11:00 PM

12:00 AM

Carnival
Family Night - All Rides 1 Ticket
6:00 PM-Midnight

Food Trucks
5:00 PM-Midnight

Friday Schedule

3:00 PM

Bingo
3:00 PM

4:00 PM

Bubbleologist
4:00 PM

5:00 PM

Scales & Tails
5:00 PM

BMX Demo
5:00 PM

Chalk Art
5:30 PM

6:00 PM

Puppet Show
6:00 PM

Bubbleologist
6:00 PM

Petting
Zoo
5:00 PM-
9:00 PM

Kid Zone
6:00 PM-
10:00 PM

Battle of the
Bands
Student
Performances
5:00 PM-7:00 PM
Professional
Performances
7:45 PM-10:30 PM

Carnival
4:00 PM-
Midnight

Food Trucks
5:00 PM-
9:00 PM

Social Axe
Throwing
4:00 PM-
9:00 PM

Mechanical
Bull
6:00 PM-
9:00PM

7:00 PM

Scales & Tails
7:00 PM

BMX Demo
7:00 PM

8:00 PM

Puppet Show
8:00 PM

Bubbleologist
8:00 PM

9:00 PM

Scales & Tails
9:00 PM

Movie in the
Park
Ralph Breaks
the Internet
9:30 PM

Mulligans
Night
Scramble
10:00 PM-
Midnight

10:00 PM

11:00 PM

12:00 AM

Saturday Schedule





SOJO SUMMERFEST PARADE

Saturday, June 1

9:00 a.m. | 2200 W. to Towne Center

Join us on beautiful Towne Center Drive, for the traditional SoJo Summerfest Parade. The route will begin on 2200 W and Park Road (the North West entrance to City Park) and travel down Park Road, around the Softball fields, to the South along the Skate Park and then turn North on Redwood Road, ending with a final turn onto Towne Center Drive. You can also enjoy a tasty Village Inn Breakfast being served from Fire Station # 61 right on Redwood Road for only \$8.00.

GRAND MARSHAL

Claron Perry

Claron was raised on a dairy farm in Bear River City, Utah and honors his parents and nine sisters and five brothers. He attended Jordan and Hillcrest High before studying Art and Architecture at University of Utah and later graduating from BYU. In 1985, Claron and Evelyn built their home in South Jordan and raised their four children here. For Thirty-four years he has operated his Home Design business here.

Serving in volunteer positions and on Committees in South Jordan has been fulfilling for Claron, having served on the Planning Commission, Architectural Review Committee and the Art Council for many years and seeing South Jordan grow from a small community to a beautiful, thriving City.

We hope all residents may have the opportunity to serve by volunteering, helping to make South Jordan a great place to live.



www.sjcsummerfest.com



CARNIVAL BY CITY OF FUN

Thursday, May 30 - Family Night

6:00 p.m. - Midnight | City Park

Friday, May 31

4:00 p.m. - Midnight | City Park

Saturday, June 1

10:00 a.m. - Midnight | City Park

Family Night

Thursday, May 30

All rides are just 1 ticket!

Unlimited Ride Wristbands

Wristbands offer unlimited rides on the day you redeem the voucher.

Pre-Sale Wristbands are \$20 now until 5:00 p.m. May 30.

While supplies last.

Purchase your wristband today at any of the following locations:

South Jordan Fitness & Aquatic Center | South Jordan City Hall

On Site Wristbands \$25



www.sjcssummerfest.com



MULLIGANS JR. BASH

Wednesday, May 29

4:00 p.m. - 6:00 p.m. | Mulligans Golf & Games

Join us for another Mulligans Jr. Bash. Kids will earn wooden medallions by playing FREE games, that can be redeemed for prizes and treats. The first 100 junior golfers in attendance get a free golf club.

MULLIGANS GOLF NIGHT SCRAMBLE

Friday, May 31

10:00 p.m. | Mulligans Golf & Games

4 Person Scramble

Fee: \$80/Team | \$20/Individual (Cart not included).

Contact the Pro Shop for more information 801-254-3377.

SOCIAL AXE THROWING

Friday, May 31

4:00 p.m. - 9:00 p.m. | City Park

Saturday, June 1

12:00 p.m. - 9:00 p.m. | City Park

\$2 for 3 throws

MECHANICAL BULL

Friday, May 31

6:00 p.m. - 9:00 p.m. | City Park

Saturday, June 1

3:00 p.m. - 9:00 p.m. | City Park

\$2 per ride

www.sjcsummerfest.com



COMMUNITY STAGE

Saturday, June 1

12:00 p.m. - 4:00 p.m. | City Park

1:00-1:30 Hip Dance Company

1:30-2:00 Sunshine Generation

2:30-3:15 Royal Academy

1:30-2:00 Sunshine Generation

2:00-2:30 Children's Group

3:15-4:00 Jamie Gates

BINGO BONANZA

Friday, May 31

3:00 p.m. - 4:30 p.m. | Community Center

Pick your lucky card and join the SoJo Summerfest fun to win some great prizes!

MAGICIAN

Saturday, June 1

2:30 p.m. | 4:00 p.m. | 6:00 p.m. | City Park

SWIM WITH THE MERMAIDS

Saturday, June 1

1:00 p.m. - 3:00 p.m. | 4:00 p.m. - 6:00 p.m.

Fitness & Aquatic Center

Meet and swim with these enchanting mermaids in the pool that has been dyed pink.

BMX DEMOS

Friday, May 31

5:00 p.m. | 7:00 p.m. | City Park

Saturday, June 1

1:00 p.m. | 3:00 p.m. | 5:00 p.m. | City Park

www.sjcssummerfest.com



5K RUN & KIDS 1 MILER

Saturday, June 1

5k 7:00 a.m. | Kids 1 Miler 7:40 a.m.

Towne Center Drive

Enjoy a great 5K race with friends, family and your kids in a one miler. After the race catch breakfast at Fire Station #61, the parade, carnival, concert, and fireworks for a full day of activities for you and the family.

Fee: 5K \$25 | Kid's 1 Miler \$15

Time: 5K 7:00 a.m. | Kid's 1 Miler 7:40 a.m.

The race will start on Towne Center Drive, west of City Hall.

All pre-registered participants receive a finishers medal and have the opportunity to qualify for age division prizes.

Contact: Brad Vaske • bvaske@sjc.utah.gov

Register Online: www.raceentry.com



FREE FITNESS CENTER DAY

Saturday, June 1

12:00 p.m. - 6:00 p.m. | Fitness & Aquatic Center

Beat the heat and enjoy a free day at the South Jordan Fitness & Aquatic Center.

10866 S. Redwood Road

Free entry 12:00 p.m. - 6:00 p.m. only!

SoJo Summerfest Discount Sale

Receive 10% off your annual membership when you purchase or renew it on June 1 between 12:00 p.m. - 6:00 p.m.

ZUMBA WITH KIMBERLY IN THE PARK

Saturday, June 1

7:00 a.m. | Heritage Park

Join Kimberly as she takes you on high paced, journey to a better you. This special Zumba class will take place in Heritage Park on the north side of the South Jordan Fitness & Aquatic Center.

www.sjcsummerfest.com



FIREFIIGHTER CHALLENGE

Saturday, June 1

1:00 p.m. - 2:00 p.m. | 4:00 p.m. - 5:00 p.m. | City Park

Kids and adults will both enjoy this course. Come test your abilities and see if you've got what it takes to be a firefighter. South Jordan Fire EMS apparatus will be on display. Come over to the first aid booth and then take a grand tour of the fire trucks and apparatuses.

FIRE FOAM FUN

Saturday, June 1

2:30 p.m. | 5:30 p.m. | City Park

Cool off and get crazy with the South Jordan Fire Department. Build a foam man or have a foam ball fight. Your imagination is endless.

CAR SEAT CHECK

Thursday, May 30

3:00p.m. - 5:00 p.m. | Fire Station #61

Parents, stop by the South Jordan Fire Department Station #61, 10758 S. Redwood Road to have the Police Department check for proper installation, expiration and recalls on your car seats.

Keep up to date and keep your kids safe!

RALPH BREAKS THE INTERNET

Friday, May 31

9:30 p.m. | City Park Baseball



www.sjcssummerfest.com



SOJO KIDS ZONE

Friday, June 1

6:00 p.m. - Dark | City Park

Saturday, June 2

12:00 p.m. - Dark | City Park

Custom Events has what it takes to make your event a success. Check out all the great activities at this year's SoJo Kids Zone. All activities in the SoJo Kids Zone are free!
801-446-5115 • cgallagher524@hotmail.com • www.customeventsinc.com

Free Fun!

CHALK ART COMPETITION

Saturday, June 1

7:00 a.m. - 2:00 p.m. | Heritage Park

The South Jordan Chalk Art Competition features various artists, showcasing their incredible artistic talents through chalk. \$25 per person, includes shirt & supplies.
register.sjc.utah.gov

CAR SHOW

Saturday, June 1

1:00 p.m. - 5:00 p.m. | Heritage Park

Need a break from the carnival crowds? Stroll around the park Saturday afternoon and check out some awesome cars. Have a car you want to showcase? Sign up and get additional information at www.sjcsummerfest.com.

FIREWORKS

Saturday, June 1

10:00 p.m. | City Park

www.sjcsummerfest.com



PUPPET SHOW

Friday, May 31

6:00 p.m. | 8:00 p.m. | City Park

Saturday, June 1

1:00 p.m. | 3:00 p.m. | 7:00 p.m. | City Park

BUBBLEOLOGIST

Friday, May 31

4:00 p.m. | 6:00 p.m. | 8:00 p.m. | City Park

Saturday, June 1

1:00 p.m. | 3:00 p.m. | 5:00 p.m. | 7:00 p.m. | 9:00 p.m. | City Park

SCALES & TAILS

Friday, May 31 - Open: 4:00 p.m. - 10:00 p.m.

Show Times: 5:00 p.m. | 7:00 p.m. | 9:00 p.m. | City Park

Saturday, June 1 - Open: 10:00 a.m. - 10:00 p.m.

Show Times: 12:00 p.m. | 4:00 p.m. | 7:00 p.m. | City Park

PETTING ZOO

Friday, May 31

5:00 p.m. - 9:00 p.m. | City Park

Saturday, June 1

11:00 a.m. - 9:00 p.m. | City Park

www.sjcssummerfest.com



CHUCK WAGON BREAKFAST

Saturday, June 1

7:00 a.m. - 11:00 a.m. | Fire Station #61

Join us for a parade breakfast, snack or drink, right on the parade route at SJC Fire Station #61, 10758 S Redwood Road. Village Inn will cook pancakes, eggs, sausage and hash browns. Enjoy the whole plate, or order a la carte.

Fee: \$8.00/plate (Drinks Not Included)

A La Carte: \$3.00/items

2 - Pancakes

2 - Eggs

2 - Linked Sausages

1 - Hash Brown

1 - Bottled Water or Juice

Parade Starts at 9:00 a.m.

FOOD TRUCKS

Thursday, May 30

5:00 p.m. - Midnight | City Park

Friday, May 31

5:00 p.m. - 9:00 p.m. | City Park

Saturday, June 1

12:00 p.m. - 9:00 p.m. | City Park

VENDOR MARKET

Friday, May 31

6:00 p.m. - 10:00 p.m. | City Park

Saturday, June 1

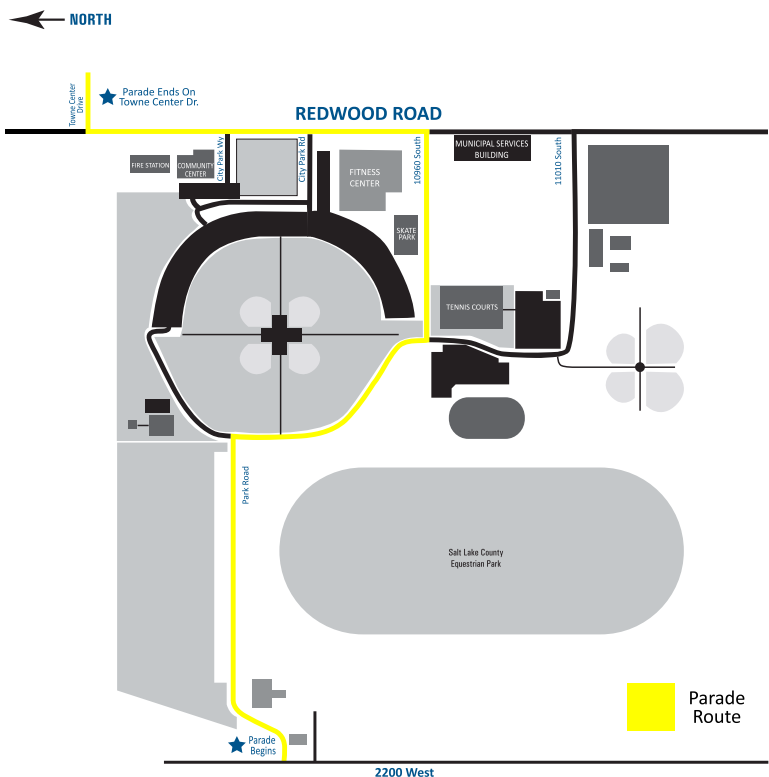
11:00 a.m. - 10:00 p.m. | City Park

www.sjcssummerfest.com



"Official Soft Drink of SoJo Summerfest"

Parade Map



Thank You! Sponsors & Volunteers



City of South Jordan, Utah



Comprehensive Annual Financial Report

**Fiscal Year Ended
June 30, 2020**

Comprehensive Annual Financial Report

For Fiscal Year Ended

June 30, 2020



City of South Jordan, Utah

Prepared by the Finance Department

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City of South Jordan, Utah
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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Introductory Section

Dawn R. Ramsey, *Mayor*
Patrick Harris, *Council Member*
Bradley G. Marlor, *Council Member*
Donald J. Shelton, *Council Member*
Tamara Zander, *Council Member*
Jason T. McGuire, *Council Member*



PH: 801.446-HELP @SouthJordanUT

November 19, 2020

The Honorable Mayor and
Members of the City Council
South Jordan City, Utah

RE: Finance Officer's Transmittal Letter and Report on Financial Statements

The Comprehensive Annual Financial Report (CAFR) of the City of South Jordan (the City) for the fiscal year ended June 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report must be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This CAFR has been prepared by the City's Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

The financial reporting entity (the City) includes all of the funds of the primary government (i.e., the City as legally defined), as well as all of its component units and fiduciary funds. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government.

Accordingly, the South Jordan Redevelopment Agency and South Jordan Municipal Building Authority are reported in this CAFR as a Special Revenue Fund and a Debt Service Fund, respectively. Fiduciary funds are resources held by the City, but belong to individuals or entities outside the government. The City has one fiduciary fund, the Metro Fire Testing Consortium Agency Fund.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

Governmental Structure

Under the City's six-member council form of government, by ordinance, legislative powers are vested in a governing body consisting of a Mayor and a five-member City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates water distribution, a golf course, and waste collection as enterprise funds.

Economic Condition and Outlook

The City of South Jordan, incorporated in 1935, is located in the southwest part of the Salt Lake Valley. The City is a rapidly growing suburban community encompassing 22.26 square miles. The City's population is estimated at 77,550. We anticipate the population in South Jordan will continue to increase as the City remains a desirable place to live. According to data from the U.S. Census Bureau, South Jordan is currently the 10th largest city in the state.

The added population has placed increased demands on services, but the City has adopted a conservative approach to the expansion of these services. The general philosophy of the City is that increased revenues from existing taxes and other revenue sources must provide the base for the expansion of public expenditures. As demonstrated over the past several years, the City is committed to this philosophy.

The City is experiencing a stable local economy despite the uncertainty surrounding the global pandemic from the Coronavirus Disease 2019 (COVID-19). The City continues to see interest in residential and commercial development. Overall, General Fund revenues rose 11 percent, with revenues from taxes increasing 10.5 percent over the prior year, largely from a 9 percent increase in sales tax revenue. The City remains cautiously optimistic as Utah's unemployment rate declined in June to 5.1% according to Zion's Bank¹. This is the second lowest in the nation, despite COVID-19 and uncertainty regarding its impact. The state of Utah is also experiencing a

¹ "Economic Snapshot – August 2020" by Spendlove, Robert and Drew Maggelet
<<https://www.zionsbank.com/community/economics/economic-snapshot/2020/economic-snapshot-august-2020/>>

strong housing market and growing population, which the City has demonstrated by continued housing and population growth.

MAJOR INITIATIVES

City Council Strategic Priorities. The City Council adopted eight (8) goals to support the mission of the City of South Jordan. The City has established objectives in support of these goals for fiscal year 2020-2021. Several notable objectives are listed below²:

1. Safe Community
 - Complete construction on a new fire station and police station to service the western portion of the City.
 - Complete water distribution system water quality assessment and implement best practices.
 - Implement a new driver training and testing program designed to reduce vehicle collision risks.
 - Hold town hall and training meetings that discuss fraud, general crime, and crime prevention with the community.
2. Civic Development
 - Implement ongoing capital maintenance and operation projects.
 - Work with UDOT on 10400 South Bangerter interchange project to reduce travel delays.
 - Replace approximately 30 Rocky Mountain Power owned streetlights.
 - Complete updates to storm water master plan.
3. Sustainable Growth
 - Create recommendations for possible zoning changes as part of the Redwood Small Area Plan.
 - Support selected public service organization programs approved through the CDBG annual action plan.
 - Complete neighborhood improvement projects as approved in the CDBG annual action plan.
 - Extend capacity of neighborhood dumpster service to meet growing demands.
4. Desirable Amenities and Open Space
 - Standardize program evaluation process to enhance programming recommendations.
 - Improve the race series, including a formalized marketing plan and recommendations for expansion.
 - Preserve and enhance Mulligans property and strengthen its business operations.
 - Complete newly expanded cemetery and design a new marketing plan.

² A complete list of objectives available at sjc.utah.gov

5. Economic Development
 - Fulfill obligations and policies established in each respective Redevelopment Agency (RDA), Community Development Agency (CDA), and Economic Development Agency (EDA) project plans.
 - Develop and implement housing assistance programs.
 - Complete area plans for the Redwood Road Small Area Plan.
6. Balanced Regulatory Environment
 - Complete 90% of court cases within 90 days of first court appearance.
 - Use General Plan priority list and timeline to present and discuss text amendments with Council.
 - Focus on ensuring all conditional use permits (CUP) are enforced and completed.
7. Engaged Community
 - Improve ability to answer calls on first contact.
 - Continue to improve social media and online community engagement.
8. Fiscally Responsible Governance
 - Effectively implement new software programs, including asset management software.
 - Continue to prioritize spending through the use of priority based budgeting to align City spending with Council strategic priorities.

Capital Projects. The City's staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensure the citizens of South Jordan are able to live and work in a desirable environment. During fiscal year 2020, the City had several significant new and ongoing projects. Some of these projects are listed below:

1. Park Projects. The City spent \$1,375,155 on constructing a new park (Highland Park), which will continue into fiscal year 2021. In addition, the City paid \$3,000,000 towards the construction of the Bingham Creek regional park.
2. Road Projects. The City continued working on multiple road projects during the year, including expenditures from 2700 West improvements totaling \$630,138. In addition, the City spent \$325,973 for work on Grandville Avenue, \$379,638 on River Heights Drive, and \$630,119 on additional or improvements to traffic signals throughout the City.
3. Storm Drain Projects. The City worked on multiple storm drain projects during the year, including \$704,535 on Millerton Drive. The City also spent \$458,363 on Florence Way and \$269,268 on Horseshoe Bend storm drain projects.
4. New Public Safety Buildings. The City started work in fiscal year 2019 on a new fire station and police substation in Daybreak, spending a total of \$6,462,296 in fiscal year 2020, with more expected in the coming years.
5. Vehicle Replacement. The City continued to replace its aging vehicles. The City spent approximately \$546,067 on replacing vehicles and other fleet equipment in fiscal year 2020. In addition, the City spent \$1,082,321 on replacing or purchasing new fleet equipment for public safety.

6. City Hall Remodel. In an effort to accommodate growth and be more efficient and effective with the space provided, the City began remodeling City hall in fiscal year 2019. In 2020, \$1,564,786 was spent in the fiscal year to complete this project.
7. Water Projects. In an effort to maintain an aging water infrastructure, the City spent \$3,355,757 in fiscal year 2020 on water transite replacement projects. In addition, the City spent \$2,016,008 on waterlines as part of the 10400 South Bangerter Highway project and \$832,743 as part of the 10200 South irrigation water projects.
8. Mulligans Remodel. The City spent \$55,188 remodeling the mini golf course and an additional \$25,256 to complete the pro shop remodel.

Economic Development. The City Council recognizes the need to develop the City's economic base to provide the necessary services, i.e., recreation, roads, public safety, *etc.*, to its citizens. Efforts are being made by the City to attract new businesses and to promote the type of activities that will enhance the quality of life in the community. These businesses include restaurants, office buildings, and industrial space.

The South Jordan Redevelopment Agency was established for the purpose of encouraging new development within the City. The Agency currently has five active redevelopment areas (RDA's), two active economic development areas (EDA's), and four active community development areas (CDA's). These areas have been successful in assisting several new office, retail, and industrial businesses within the RDA boundaries.

One of the largest RDA's is the "District". This area has 1.2 million square feet of retail space. Several current tenants include Harmon's, Target, JC Penney, LHM Megaplex 20, and Hobby Lobby to name a few.

The City welcomed many new businesses during the fiscal year. Several notable additions and/or expansions in fiscal year 2020 include – Ivanti Inc., Texas Roadhouse, Warrens Drive-In, Precision Systems Engineering, Inc., and Sports Medicine Research and Testing Laboratory.

The City's success in recruiting a diverse commercial base demonstrates the City's dedication to the establishment of long-term, sustained economic growth. The City will continue to encourage development using redevelopment areas.

FINANCIAL INFORMATION

South Jordan's financial statements reflect the rapid growth of the City. As in previous years, the City has been able to maintain reserve funds in excess of the minimum required by State code. From fiscal year 2013 to 2020, the City's governmental funds revenues increased from \$55,639,392 to \$82,576,884, and expenditures increased from \$44,635,809 to \$89,583,520, although slightly decreasing when compared to 2019 expenditures. Growth in proprietary fund revenue and expenses increased during this period. Proprietary fund operating revenues increased from \$20,975,406 to \$28,267,066, while operating expenses rose from \$16,977,012 to \$24,068,343.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring an adequate internal control structure and for documenting compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations. The audit for the fiscal year ended June 30, 2020, disclosed no instances of internal control weaknesses.

The City's budget serves as the foundation for its financial planning and control. The City's Chief Financial Officer/Budget Officer, in conjunction with City staff, Mayor, and City Council, prepares a proposed annual budget which is presented to the City Council for review no later than the first council meeting in May. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget prior to June 22, unless the City proposes a property tax rate in excess of its certified tax rate. In that case, a tentative budget is adopted and is in force until a public hearing is held to approve the increase.

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds or increases in revenues require the approval of the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level where expenditures cannot legally exceed the appropriated amount) is at the department level within the general fund and the fund level for all other funds.

As demonstrated by the statement included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Gilbert & Stewart was selected by the City's Audit Committee to perform this audit. This audit was designed to meet the requirements set forth in the Utah state statutes. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the financial statements is included in the financial section of this report.

Audit Committee

The City's Audit Committee consists of the Mayor and two council members appointed by the City Council. The Audit Committee selects the City's independent auditor and meets with the auditor before and after completion of the City's annual audit to discuss the results. The Audit Committee also works with City's selected internal auditor to set the audit schedule and areas of focus for the internal auditor and to discuss the results.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Jordan for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the 34th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of South Jordan for its Popular Annual Financial Report for the fiscal year ended June 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, and understandability, and reader appeal.

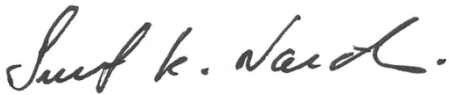
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of South Jordan has received a Popular Award for the last seven consecutive years. The City will be preparing a Popular Annual Financial Report this year and we will be submitting it to GFOA to determine its eligibility for another Award.

Acknowledgments

We would like to thank the Mayor, City Council, and Audit Committee for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

The preparation of the CAFR on a timely basis could not have been accomplished without the efforts and dedication of the City staff. We would like to express our appreciation to them and other personnel from various agencies and authorities who assisted in its preparation.

Respectfully submitted,



Sunil K. Naidu
Chief Financial Officer/Budget Officer



Gary L. Whatcott
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Jordan
Utah**

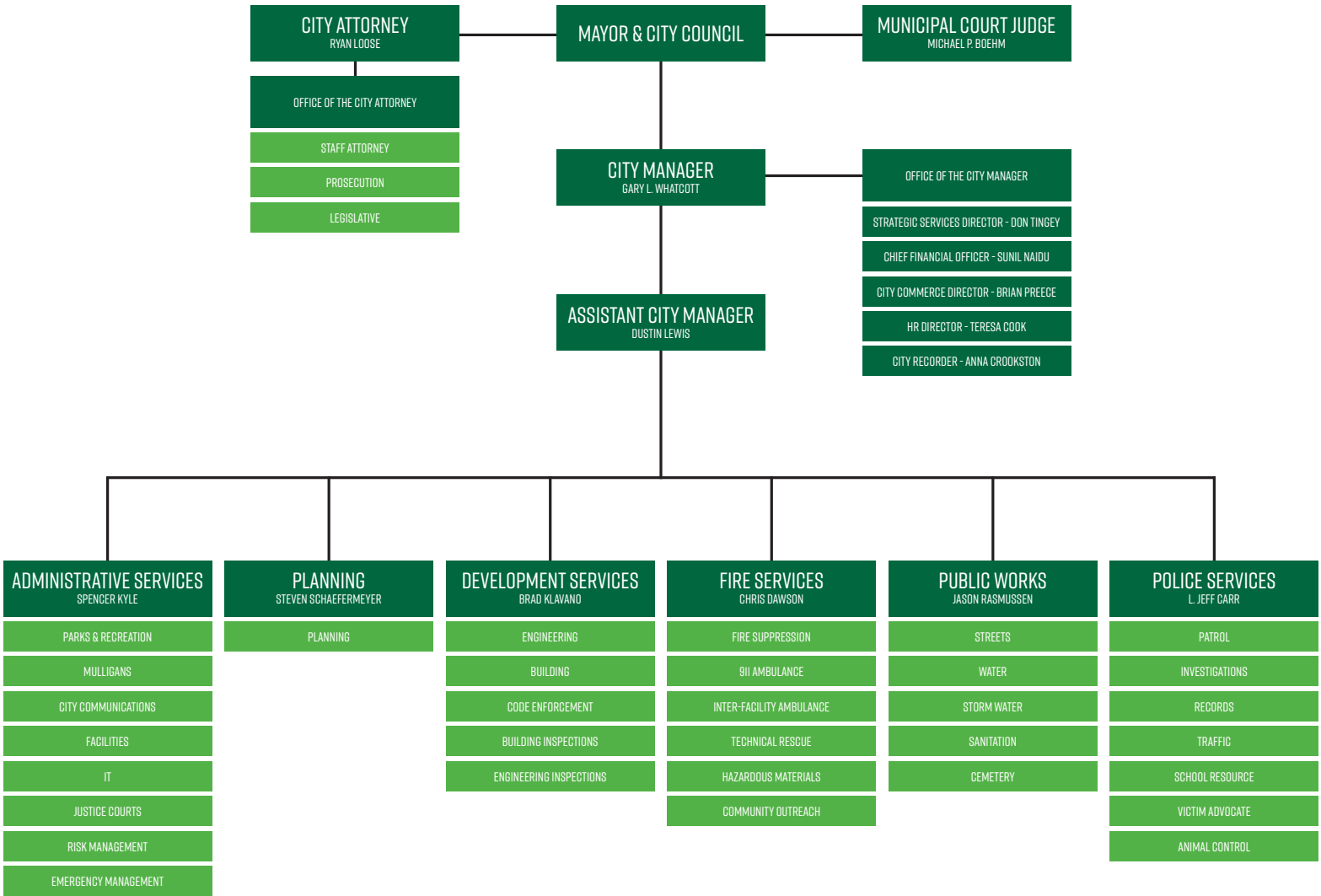
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

City of South Jordan, Utah Organizational Chart



City of South Jordan, Utah
List of Elected and Appointed Officials
As of June 30, 2020

Elected Officials:



Mayor Dawn R. Ramsey, Council Member Patrick Harris,
Council Member Brad Marlor, Council Member Donald J. Shelton,
Council Member Tamara Zander, Council Member Jason T. McGuire

Appointed Officials:

Gary L. Whatcott	City Manager
Ryan Loose	City Attorney
Michael Boehm	Municipal Court Judge
Sunil K. Naidu	Chief Financial Officer/Budget Officer
Chip Dawson	City Treasurer
Anna Crookston	City Recorder



Financial Section

Independent Auditor's Report



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDEL A. HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H. PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, Utah (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, as of June 30, 2020 and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements and budgetary comparisons, as listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and budgetary comparisons are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

Provo, Utah

November 19, 2020

CITY OF SOUTH JORDAN, UTAH

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Jordan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 2 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2020 by \$530,521,138 (net position). Of this amount, \$134,427,600 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of the City of South Jordan increased by \$68,669,321. Government activities had an increase in net position of \$52,614,287 mainly due to donated infrastructure. Business-type activities provided a \$16,055,034 increase to the City's net position, primarily due to greater than anticipated charges for services from increased water and sanitation use from population growth and donated infrastructure.
- As of the close of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$91,778,002, an increase of \$10,519,362 (12.9 percent). Most of this increase is due to increased other financing sources due to the issuance of the 2019 Sales Tax Revenue and Refunding Bonds in fiscal year 2020 compared to fiscal year 2019. During fiscal year 2020, the City refinanced its 2008 Sales Tax Revenue and Refunding Bonds into the 2019 Sales Tax Revenue and Refunding Bonds to help pay for the City's new fire and police substation in the city's western area (Daybreak). The City decreased expenditures by \$1,360,140 in the City's governmental funds when compared to 2019 largely due to decreased developer reimbursements from bond proceeds (\$11,040,162).
- At the end of fiscal year 2020, unassigned fund balance of the General Fund was \$10,166,748, or 24.8 percent of General Fund expenditures (excluding other financing uses). Utah state law allows any balance in excess of 5 percent of the total revenues to be utilized for budget purposes. The maximum fund balance allowed is 25 percent of next fiscal year's estimated revenues. The City's General Fund unassigned fund balance is currently at 20.9 percent of next year's budgeted revenues.

- The City's total long-term obligations (excluding net pension liability) increased \$5,809,626 (7 percent) and long-term debt for governmental activities increased \$8,067,171 in fiscal year 2020. This is largely due to the City refinancing its 2008 Sales Tax Revenue and Refunding Bonds, which were paid off and new 2019 Sales Tax Revenue and Refunding Bonds were issued. The City paid \$11,889,000 in principal debt service payments during fiscal year 2020 primarily to pay off the 2008 Sales Tax and Refunding bond (\$3,390,000) and as part of making normally scheduled debt service payments (\$8,499,000).
- At the end of fiscal year 2020, the City recognized a total net pension asset of \$942,398 (increase of \$942,398 from fiscal year 2019) and a total net pension liability of \$6,976,911 (decrease of 47 percent from fiscal year 2019). Much of this decrease is due to anticipated investment earnings meeting expectations. More information regarding the City's retirement plans can be found in Note 10, which begins on page 86 and in the Required Supplementary Information, beginning on page 107.

REPORT OVERVIEW

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, administrative services, development services, public works, recreation, and public safety. The business-type activities of the City include water, sanitation, and Mulligans Golf & Games (Mulligans).

The government-wide financial statements can be found on pages 37-38 of this report.

FUND FINANCIAL STATEMENTS

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. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

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

Governmental funds report the difference between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. *Nonspendable* balances include inventories and prepaid expenditures that are not expected to be converted to cash. *Restricted* balances include net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include bond and capital lease proceeds designated for specific projects, debt service reserve requirements, and grant proceeds. *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the general fund and other governmental funds are

those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. *Unassigned* balances in the General Fund are all other available net resources. At June 30, 2020, the City's combined governmental fund balance is \$91,778,002 (\$14,050 in nonspendable, \$18,313,932 in restricted, \$63,283,272 in assigned, and \$10,166,748 in unassigned fund balances). Additional detail regarding governmental fund balances can be found in Note 1 on pages 58-59 of this report.

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

The City maintains the following eight individual governmental funds:

- General
- Redevelopment Agency (RDA)
- Capital Projects
- Storm Drain
- Community Development Block Grant (CDBG)
- Fitness Center
- Debt Service
- Municipal Building Authority (MBA)

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Redevelopment Agency, Capital Projects, and Debt Service funds, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 40-41 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, enterprise funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sanitation services, and Mulligans.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund, which is considered a major fund. Data from the other proprietary funds (Mulligans and sanitation) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is available elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 44-46 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources are not available to support the City’s own programs. The accounting used for fiduciary funds is like that used for proprietary funds.

The City maintains one type of fiduciary fund. The *agency fund* reports resources held by the City for the Metro Fire Testing Consortium (MFTC).

The fiduciary fund financial statements can be found on page 48 of this report.

Notes to the financial statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 49 of this report.

Required Supplementary Information (RSI) – This section contains budget to actual comparison statements for the City’s General Fund as well as its only major special revenue fund, which is the RDA. This section also contains required supplementary information for the City’s pension program. The RSI section begins on page 107 of this report.

Other Information – In addition to the above-mentioned statements and reports, this report also presents other supplementary information and a statistical section, which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City’s nonmajor funds and Fiduciary Fund, as well as budget to actual statements for major funds not reported as RSI. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 115, and the statistical section begins on page 131 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of South Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$530,521,138 as of June 30, 2020.

By far the largest portion of the City's position (70.4 percent) reflects its investments in capital assets (e.g., land, water shares, buildings and structure, machinery and equipment, improvements, construction in progress, and right of way), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's net position:

CITY OF SOUTH JORDAN

Summary of Net Position

For the Year Ended June 30, 2020

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 152,889,669	\$ 140,403,099	\$ 51,306,952	\$ 49,604,506	\$ 204,196,621	\$ 190,007,605
Net Pension Asset	-	-	-	-	-	-
Capital Assets	325,829,641	271,716,758	139,956,855	128,660,631	465,786,496	400,377,389
Total Assets	478,719,310	412,119,857	191,263,807	178,265,137	669,983,117	590,384,994
Total Deferred Outflows of Resources	4,089,143	8,694,656	406,591	329,031	4,495,734	9,023,687
Long-Term Debt Outstanding	83,524,129	75,456,958	9,442,634	11,700,179	92,966,763	87,157,137
Net Pension Liability	6,414,348	12,226,392	562,563	849,721	6,976,911	13,076,113
Other Liabilities	14,310,296	10,157,329	2,920,014	3,489,661	17,230,310	13,646,990
Total Liabilities	104,248,773	97,840,679	12,925,211	16,039,561	117,173,984	113,880,240
Total Deferred Inflows of Resources	26,505,843	23,534,284	277,886	142,340	26,783,729	23,676,624
Net Investment in Capital Assets	242,993,458	198,845,888	130,438,039	117,353,246	373,431,497	316,199,134
Restricted	18,313,932	15,570,592	4,348,109	5,995,575	22,662,041	21,566,167
Unrestricted	90,746,447	85,023,070	43,681,153	39,063,446	134,427,600	124,086,516
Total Net Position	\$ 352,053,837	\$ 299,439,550	\$ 178,467,301	\$ 162,412,267	\$ 530,521,138	\$ 461,851,817

An additional portion of the City's net position (4.3 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$134,427,600 is considered unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2020, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as, for its separate governmental-type activities. Positive balances for all three categories are also reported for the water, sanitation, and Mulligans funds.

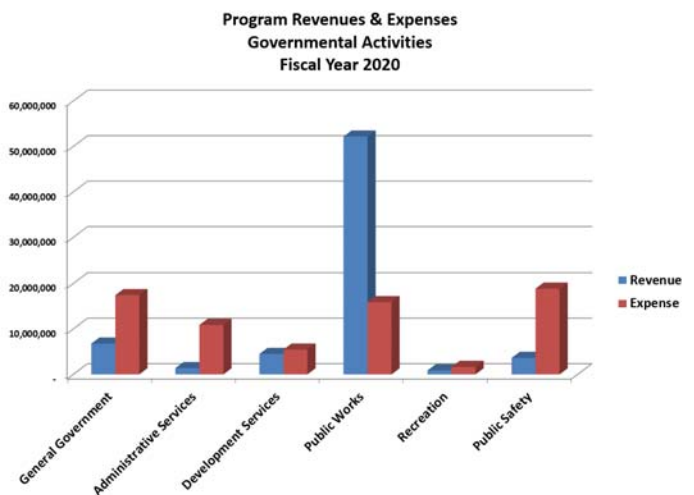
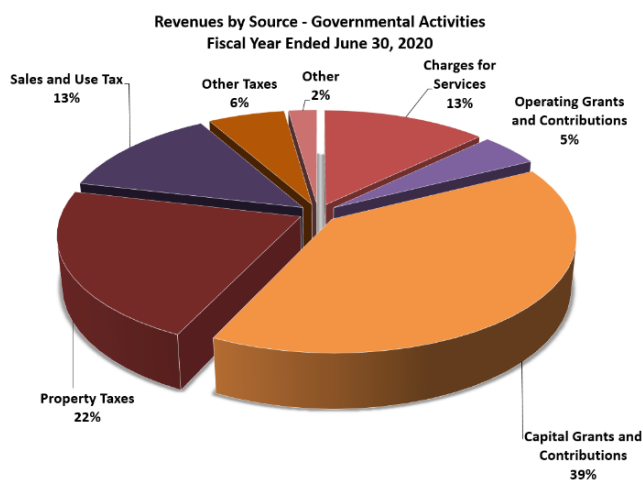
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2020:

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for Services	\$ 16,222,755	\$ 15,748,354	\$ 28,714,288	\$ 25,929,016	\$ 44,937,043	\$ 41,677,370
Operating Grants and Contributions	5,925,631	3,261,957	-	-	5,925,631	3,261,957
Capital Grants and Contributions	49,902,595	7,919,866	9,417,565	2,226,178	59,320,160	10,146,044
General Revenues:						
Property Taxes	27,243,222	24,700,459	-	-	27,243,222	24,700,459
Sales and Use Tax	16,546,021	15,207,236	-	-	16,546,021	15,207,236
Other Taxes	7,570,583	6,042,042	-	-	7,570,583	6,042,042
Other	2,812,937	3,432,806	820,575	1,136,136	3,633,512	4,568,942
Total Revenues	126,223,744	76,312,720	38,952,428	29,291,330	165,176,172	105,604,050
Expenses:						
General Government	17,432,244	26,584,589	-	-	17,432,244	26,584,589
Administrative Services	10,888,967	10,018,151	-	-	10,888,967	10,018,151
Community Services	-	-	-	-	-	-
Development Services	5,456,960	4,875,349	-	-	5,456,960	4,875,349
Public Works	15,882,104	16,507,982	-	-	15,882,104	16,507,982
Recreation	1,649,535	2,333,818	-	-	1,649,535	2,333,818
Public Safety	18,867,633	17,483,131	-	-	18,867,633	17,483,131
Interest on Long-Term Debt	2,767,426	2,612,474	-	-	2,767,426	2,612,474
Water	-	-	19,256,677	17,150,610	19,256,677	17,150,610
Sanitation	-	-	3,974,790	3,258,710	3,974,790	3,258,710
Mulligans	-	-	1,061,018	1,089,321	1,061,018	1,089,321
Total Expenses	72,944,869	80,415,494	24,292,485	21,498,641	97,237,354	101,914,135
Gain on Sale of Capital Assets	730,503	596,614	-	-	730,503	596,614
Increase (Decrease) in Net Position Before Transfers	54,009,378	(3,506,160)	14,659,943	7,792,689	68,669,321	4,286,529
Transfers	(1,395,091)	(4,132,995)	1,395,091	4,132,995	-	-
Increase in Net Position	52,614,287	(7,639,155)	16,055,034	11,925,684	68,669,321	4,286,529
Net Position - Beginning	299,439,550	307,078,705	162,412,267	150,486,583	461,851,817	457,565,288
Net Position - Ending	\$ 352,053,837	\$ 299,439,550	\$ 178,467,301	\$ 162,412,267	\$ 530,521,138	\$ 461,851,817

Governmental Activities – Governmental activities increased the City's net position by \$52,614,287. Key elements affecting governmental activities net position are as follows:

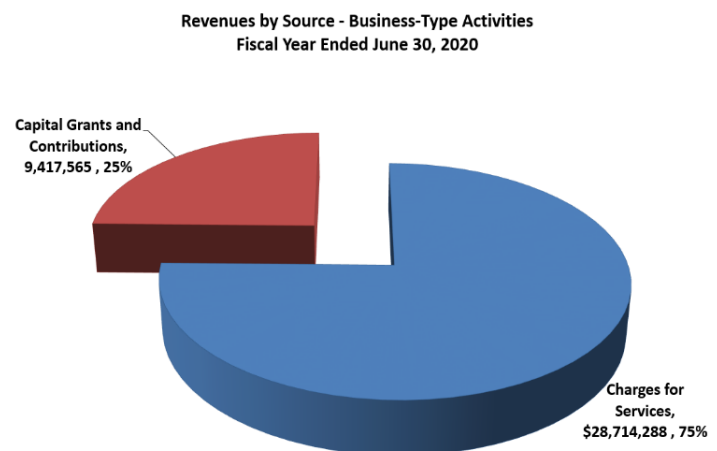
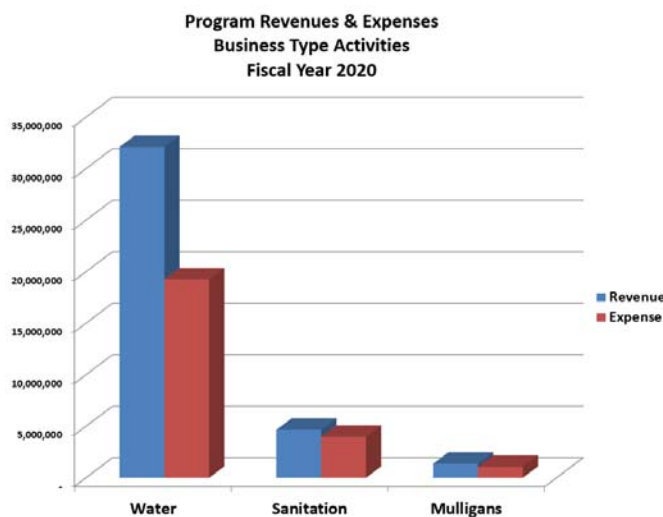
- As of June 30, 2020, the City's governmental activities net position was \$352,053,837, which was an increase of \$52,614,287 over the prior year's net position of \$299,439,550. This is largely attributed to increased revenues largely from donated infrastructure in fiscal year 2020 (\$45,517,986).
- In fiscal year 2020, the City's governmental activities expenses decreased \$7,470,625 over fiscal year 2019. This decrease largely comes from decreased developer reimbursements (\$11,040,162) when compared to 2019.

- Governmental revenues increased by \$49,911,024 over fiscal year 2019. This increase is largely due to an increased donated infrastructure (\$42,918,617) when compared to the prior fiscal year. The City saw increased revenues from taxes by \$5,410,089 in fiscal year 2020. Specifically, property tax revenues increased \$2,542,763 over fiscal year 2019 due to new growth. The City's sales tax revenue also did increase (\$1,338,785), largely due to the City and State's diverse economy. In addition, the City saw increased revenue from other taxes over the prior year largely from increased local transit/highway tax (\$1,439,685), which fiscal year 2020 represented the first full year where the City was eligible to receive the funds from this tax.
- The City's governmental funds received \$2,172,757 in impact fee revenue during the fiscal year. This is an increase of \$653,398 compared to fiscal year 2019, which is largely due to increased growth and development. In addition, the City increased impact fee rates for police and fire that went into effect during fiscal year 2020. Impact fee revenue is not typically spent in the year received, instead it is budgeted for projects in future years.
- During fiscal year 2020, the City's governmental funds completed \$11,120,315 of capital projects, which includes \$6,234,649 of projects that began in prior years. Projects totaling \$22,376,790 were in progress at year end. The most significant projects completed during the year include \$3,000,000 for Welby Park, \$2,505,203 for remodeling city hall, and \$934,635 for work on Rushton Meadow Park and Trail. Donated assets include \$15,639,256 in donated land, \$14,746,392 in donated roads, \$4,891,222 in donated sidewalks, \$3,329,566 in donated storm drain, \$5,492,793 in donated curb and gutter, and \$1,418,757 in streetlights. This large increase comes from the completion of infrastructure in the City's special assessment area (Daybreak).



Business-Type Activities – Business-type activities increased the City’s net position by \$16,055,034, which represents an increase of \$4,129,350 over the previous year’s change. Key elements of the change in business-type net position are as follows:

- During fiscal year 2020, the City’s business-type activities completed \$17,402,136 in capital projects and \$10,919,1498 of projects were in progress at year end. Notable completed project(s) include \$5,031,575 in various transite replacement projects. In addition, \$8,624,779 of donated water lines were capitalized during the fiscal year.
- Water fund operating revenues exceeded expectations by \$2,148,510 largely due to growth and the City implementing a new fee structure in December 2018 that increased the consumption rate charged for increased water consumption. The City recorded \$8,624,779 of donated infrastructure (water lines) largely from its Daybreak special service area and \$792,786 of impact fee revenue was received. The City does not typically spend current year impact fee revenue in the year collected. Collections are used for future impact fee eligible projects.
- Mulligans revenues increased by \$105,190 when compared to the prior fiscal year, while fund expenses were \$28,303 lower than the prior year. The increase in revenue is attributed to a drier than normal year and golf being an activity outdoors that was not severely restricted by the COVID-19 pandemic. The Mulligans fund increased overall net position by \$318,686.
- The sanitation fund experienced an increase in net position of \$589,129. This increase is due to greater than anticipated revenues largely due to price increases implemented in fiscal year 2020 and new growth (\$573,161). In addition, the City’s portion of the Trans-Jordan Landfill net position increased by \$447,222.



FUND FINANCIAL ANALYSIS

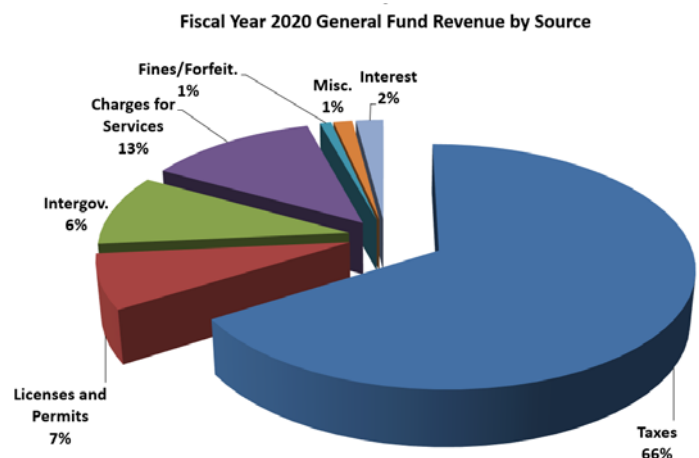
Governmental Funds - The focus of the City's governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful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

The City's governmental funds (General, RDA, Capital Projects, Debt Service, and Nonmajor Funds) reported combined fund balances of \$91,778,002. This represents an increase of \$10,519,362 from last year's ending balances. Of the total fund balance, \$10,166,748 (11 percent) constitutes *unassigned fund balance* and is therefore available for spending at the City's discretion. *Assigned fund* balance totals \$63,283,272 (68.9 percent), meaning the City intends to use this amount for specific purposes (debt service, redevelopment agency (RDA), capital projects, storm drain projects, fitness center, and municipal building authority (MBA)). Fund balance of \$18,313,932 (19.9 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for capital projects, debt service, public safety, and equipment. The City also has inventory of \$14,050, which is classified as *nonspendable* fund balance.

General Fund

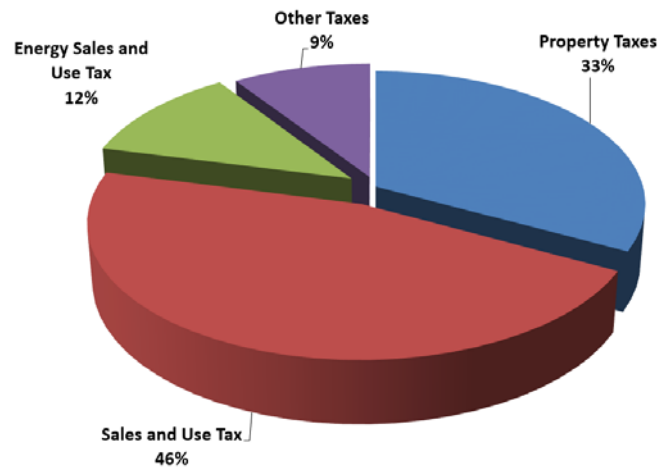
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Revenues exceeded expenditures (excluding other financing sources and uses) in the general fund by \$10,915,724 during the year. This was largely due to increased tax revenue (\$3,399,651) and intergovernmental revenue (\$2,259,343) when compared to the prior year. In fiscal year 2020, the City saw increased sales tax (\$1,338,785), Local Transit/Highway Tax (\$1,439,685), and property tax (\$532,324) revenue compared to fiscal year 2019. In addition, the City received CARES Act funds from the federal government, totaling \$2,207,753 in response to the global COVID-19 pandemic.

The City transferred \$7,477,839 to the other funds during the fiscal year. Of these transfers, \$2,494,535 is considered discretionary. The City Council will authorize uses of this transfer in fiscal year 2021 for future budget years.

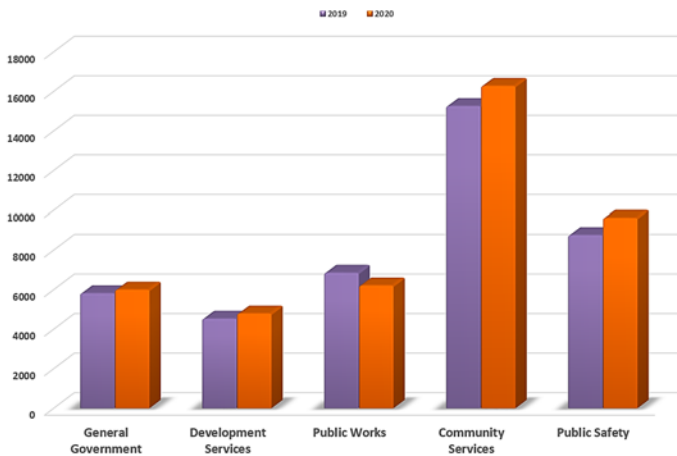


Taxes continue to be the largest source of revenue in the General Fund and represent 66.1 percent of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 46.2 percent of total tax revenues and 30.5 percent of total General Fund revenues. This compares with 31.3 percent of total General Fund revenues in the prior fiscal year ended June 30, 2019.

Fiscal Year 2020 General Fund Tax Revenue by Type



General Fund Expenditures by Function
Expressed in Thousands



General Fund expenditures increased during fiscal year 2020, going from \$43,272,523 in 2019 to \$43,310,896 in 2020. Public Safety costs increased \$1,016,893 primarily due to increased staff and new equipment. The General Fund payroll and benefit expenditures increased by approximately \$2,224,172 compared to

fiscal year 2019. In fiscal year 2020, the City provided a 3% cost-of-living adjustment (COLA) and merit eligible sworn employees received a 2.75% step increase consistent with the City's step plan. The City reduced operational expenditures by \$2,281,432 as part of an effort to curtail spending in response to the COVID-19 pandemic. The City also spent approximately \$99,988 in operational (non-payroll) costs related to COVID-19 supplies in fiscal year 2020.

Other Governmental Funds

Highlights from the City's other governmental funds show indicators of a growing city and stable local economy. During fiscal year 2020, property tax collections from redevelopment areas increased by 14 percent to a total of \$15,449,356 during the same period. RDA fund balance increased \$2,792,784 to a total of \$21,233,897. This increase in fund balance is largely attributable to better than expected property tax revenue and investment income.

Fund balance in the Capital Projects Fund increased \$4,939,631 from \$42,573,777 to \$47,513,408. This increase is largely attributable the City refunding the 2008 Sales Tax and Revenue Refunding Bonds and issuing new bonds as part of the 2019 Sales Tax and Revenue Refunding Bonds. In addition, the City had reduced expenditures largely from the City completing most of the construction on infrastructure as part of the 2016 Special Area Assessment Bonds in prior years. Assigned fund balance increased \$2,446,449 (8 percent) to \$33,056,763. This increase is largely attributable to a year end transfer from the general fund (\$2,494,535) that will be used to fund future capital projects. Of this amount, \$2,494,535 is

awaiting official action from the City Council in fiscal year 2021 regarding future use. A total of \$19,871,011 was spent on capital projects during the fiscal year. The City has current construction commitments of \$17,177,281 relating to Capital Project Funds, which are not expected to affect the fund resources available for future use.

Storm Drain revenue was \$379,082 above expectations during fiscal year 2020 mainly due to increased residential and commercial development. In addition, Storm Drain expenditures were down \$146,811 compared to budget and decreased \$241,273 compared to fiscal year 2019. The Storm Drain Fund had a transfer out of \$1,435,441, of which, \$1,257,500 was transferred to the Capital Project Fund for Storm Drain capital projects. \$175,000 was transferred to the Water Fund to pay for Storm Drain improvements on a canal reconstruction project. These factors led to a decrease in Storm Drain fund balance of \$469,417 (14.3 percent decrease). The remaining fund balance will be used to comply with federal storm water mandates, complete projects started in prior years, and to improve the City's storm drain system.

Fund balance in the Fitness Center Fund decreased \$278,217 (19.3 percent) during fiscal year 2020 to \$1,163,282. Charges for services decreased compared to expectations by \$420,103 due to decreased utilization largely stemming from the COVID-19 pandemic and the City's decision to transfer operations to Salt Lake County in April 2020. In addition, the City paid \$150,000 to Salt Lake County as part of the transfer of operations. The remaining fund balance will be used for future recreation capital projects.

Fund balance in the Debt Service Fund decreased \$17,683 (.4 percent) during fiscal year 2020 to \$4,416,288. Total payments for debt service in the Debt Service Fund increased \$3,131,770 (39.6 percent). This increase is largely due to increased principal payments (\$2,815,000) to pay off the 2008 Sales Tax Revenue and Refunding Bond and issue the 2019 Sales Tax Revenue and Refunding Bonds. The City did also receive \$1,615,294 more in revenues than budgeted, mostly from larger than anticipated Special Assessment revenue from the 2016 Special Assessment Bond (\$837,673 over budgeted revenues) and larger than expected interest revenue (\$777,621). These revenues will be used to make future debt service payments and repay the City for costs associated with the 2016 Special Assessment Bond.

Fund balance in the Municipal Building Authority fund decreased \$101 during the fiscal year. This is due to lower than expected interest income by \$202 and lower than budget expenditures by \$100.

Enterprise Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In summary, unrestricted net position increased from \$29,968,889 to \$33,627,892 in the Water Fund; increased from \$426,718 to \$747,107 in the Mulligans Fund; and increased from \$8,667,839 to \$9,306,154 in the Sanitation Fund.

Water rates were adjusted in prior years to keep pace with the City's increased cost to purchase water and to fund capital projects. The City purchases all of its wholesale water from the Jordan Valley Water Conservancy District (JVWCD). During fiscal year 2018, a water rate study was completed which determined the current rates and billing structure needed to be updated. In December 2018, the City implemented its new water rate structure, which decreased the base water rates while implementing a new consumption rate structure that encourages conservation. During fiscal year 2020, a total of \$16,678,724 of capital assets were added (not including \$10,863,960 of work in progress outstanding at fiscal year end). The water fund decreased its overall liabilities by \$2,957,124, most of this comes from decreased noncurrent liabilities (\$2,547,253) from the City making its principal debt payments on the 2017 Water Revenue and Refunding Bond (\$2,343,003). The Water Fund has current construction commitments of \$8,920,670 relating to Water Fund capital projects.

The increase in unrestricted net position for the Water Fund is mainly due to increased operating revenues (\$3,206,906) and interest income (\$453,031) compared to budget. The City also received \$8,624,779 in donated infrastructure and \$792,786 in impact fee revenue in fiscal year 2020. The City does not typically budget or expend impact fee revenue in the year received. The Mulligans unrestricted fund balance increased \$320,389 due to increased operating revenues (\$258,794) compared to budget and decreased operating expenses when compared to budget (\$140,328). Mulligans had \$74,075 in current constructions commitments related to Mulligans capital projects. Sanitation unrestricted fund balance increased \$638,315 due to its portion of the Trans-Jordan Landfill's increase in net position (\$447,222) and greater than anticipated operating revenue (\$668,332) largely due to a growing customer base and increased rates that took effect during the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$46,987,736 to a final budget total of \$47,004,730 (\$16,994 difference). All departments monitor their budgets closely and are required to stay within their allotment. Budget adjustments made during the year can be summarized as follows:

- The General Administration budget decreased by \$134,000, which was transferred to other department budgets to pay for changes in personnel and operational expenditures that was not anticipated in the initial fiscal 2020 budget.
- The Administrative Services budget increased by \$656,452. This is largely due the City moving staff and recreation programs to Administrative Services in the General Fund as part of transferring the Recreation Center to Salt Lake County (\$675,635).

- Development Services budget increased \$171,641. This is largely due to increased processing fees from increased payments processed (\$105,000) and changes in personnel not anticipated in the initial fiscal 2020 budget (\$30,960). In addition, the City carried over \$31,681 from fiscal year 2019 as assigned fund balance for a traffic committee study.
- Public Works budget increased by \$177,595. This is largely due to increased expenditures related to equipment and repairs on sidewalks throughout the City (\$117,350) and increased transportation improvements (\$63,000) largely from a needed overlay project not originally anticipated in the initial fiscal 2020 budget.
- The Public Safety budget decreased by \$964,062. This adjustment is largely from the City deciding to pay for a new fire truck out of the capital project budget. Therefore, the City transferred \$1,328,210 to the capital equipment budget to pay for this new vehicle.
- Capital Outlay budget increased by \$2,218. This is due to increased expenditures from sidewalk repairs throughout the City.

General Fund budgeted revenues were amended from \$50,163,556 to \$50,899,613 (an increase of \$736,057 or 1.5 percent). Highlights of this increase include:

- Program fees increased \$356,400 to account for the change from recreation programs from the recreation center budget (Special Revenue Fund) to the General Fund.
- Sales and Use Tax budget was decreased by \$1,175,000 to account for an anticipated decline in taxes from legislation passed by the Utah legislature, decreasing the City's tax base. This was largely offset by a \$675,000 increase in property tax revenue from better than initially projected new growth.
- Investment earnings increased \$500,000 due to better than expected investment earnings.

During the year, actual revenues were more than budgeted revenues by \$3,327,007. Actual expenditures were less than budgeted expenditures by \$3,693,834. This surplus was combined with reductions in other types of fund balance sources and the amount of \$2,494,535 was transferred to the Capital Projects Fund, all of which is discretionary. During fiscal year 2021, official action by the City Council will determine how these discretionary funds will be used.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets - The City of South Jordan's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$465,786,496 (net of accumulated depreciation). This investment in capital assets includes land, water shares, buildings, improvements, machinery and equipment, construction in progress, and right of way. The total increase in the City's investment in capital assets for the current year was 16.3 percent (a 19.9 percent increase for governmental activities and a 8.8 percent increase for business-type activities).

Major capital asset events during fiscal year 2020 include the following:

CITY OF SOUTH JORDAN

Capital Assets, Net of Depreciation

June 30, 2020

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 89,878,933	\$ 74,405,518	\$ 12,556,043	\$ 12,556,043	\$ 102,434,976	\$ 86,961,561
Water Shares	-	-	18,961,482	18,961,482	18,961,482	18,961,482
Buildings	27,623,964	28,949,270	672,616	749,994	28,296,580	29,699,264
Improvements	169,245,294	138,688,122	95,522,914	73,885,241	264,768,208	212,573,363
Machinery and Equip.	8,487,704	8,123,296	1,324,651	1,524,625	9,812,355	9,647,921
Const. in Progress	22,376,790	13,333,596	10,919,149	20,983,246	33,295,939	34,316,842
Right of Way	8,216,956	8,216,956	-	-	8,216,956	8,216,956
Total Capital Assets	\$ 325,829,641	\$ 271,716,758	\$ 139,956,855	\$ 128,660,631	\$ 465,786,496	\$ 400,377,389

- A total of \$54,142,765 in contributed infrastructure assets including \$1,418,757 in street lights, \$14,746,392 in donated roads, \$5,492,793 in curb and gutter, \$4,891,222 in sidewalk, \$3,329,566 in donated storm drain infrastructure, \$15,639,256 in land, and \$8,624,779 in water lines.
- During fiscal year 2020, the City added the following major assets: Welby park (\$3,000,000), city hall remodel (\$2,505,203), water transite replacement projects throughout the City (\$5,031,575), and approximately \$2,165,994 in vehicles for both public safety and other departments.
- During the year, the City spent \$27,612,605 (excluding donated infrastructure) on projects such as construction of new and/or extension of roads, improvements to park projects, storm drain improvements, land purchases, and general vehicles and equipment. \$20,463,843 of the total was spent on projects still in progress at fiscal year end.

- As of June 30, 2020, the City had outstanding construction commitments of \$26,199,828 for unfinished projects.

Additional information on the City's capital assets can be found in note 7 on page 76-78 of this report.

Long-term debt - As of June 30, 2020, the City had total long-term bonded debt outstanding of \$81,840,000. The entirety of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

CITY OF SOUTH JORDAN

Outstanding Long-Term Bonded Debt (Expressed in Thousands)

June 30, 2020

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Special Assessment Debt						
With Governmental Commitment	\$ 25,640	\$ 28,470	\$ -	\$ -	\$ 25,640	\$ 28,470
Revenue Bonds	47,900	39,794	8,300	10,335	56,200	50,129
Total bonded debt	<u>\$ 73,540</u>	<u>\$ 68,264</u>	<u>\$ 8,300</u>	<u>\$ 10,335</u>	<u>\$ 81,840</u>	<u>\$ 78,599</u>

The City's total bonded debt outstanding increased by \$3,241,000 during the fiscal year (4 percent). This increase is due to the City refunding the 2008 Sales and Revenue Bond into the 2019 Sales Tax and Revenue Bond (\$15,130,000) in fiscal year 2020. The city made \$11,889,000 in principal payments during fiscal year 2020, of which \$3,390,000 was used to pay off the 2008 Sales Tax and Revenue Bond.

The City currently has no general obligation debt. The most recent bond ratings issued for South Jordan include: the Series 2011 MBA Lease Revenue Bonds, with a Standard & Poor's rating of "AA+" and a Fitch rating of "AA"; the 2015 Subordinate Sales Tax and Tax Increment Bonds with a Standard & Poor's rating of "AA-" and a Fitch rating of "AA+"; the Series 2016 Special Assessment Bonds with a Standard & Poor's rating of "AA+"; Series 2017 Sales Tax Revenue Bonds, with a Standard & Poor's rating of "AAA" and a Fitch rating of "AAA"; the Series 2017 Water Revenue Bonds, with a Standard & Poor's rating of "AA" and a Fitch rating of "AA+"; the Series 2019 Sales Tax Revenue Bonds, with a Standard & Poor's rating of "AAA" and a Fitch rating of "AAA"; all of the other remaining sales tax revenue bonds Fitch has rated were assigned "AAA" and assigned an implied "AAA" general obligation rating.

State statute limits the amount of general obligation debt a governmental entity may issue up to 8 percent of the “reasonable fair cash value” of property within the City. Of this percent, a maximum of 4 percent may be used for general purposes. The current limitation for the City is \$477,539,000, which is significantly in excess of the City’s outstanding general obligation debt. The remaining 4 percent and any unused portion of the 4 percent is available for general purposes, up to the maximum of 8 percent. This may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that used for water, sewer and electrical projects is \$955,077,000, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City’s long term-debt can be found in note 9 on pages 80-85 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The 2020 unemployment rate for the City of South Jordan was 4.2 percent. This compares with a national unemployment rate of 11.1 percent. The 2019 unemployment rate for the City of South Jordan was 2.8 percent. (Source: Bureau of Labor Statistics.) This increase reflects increased unemployment as the result of the COVID-19 virus and resulting pandemic.
- General Fund budgeted revenues for the fiscal year ending June 30, 2021 (\$48,542,303) reflect a decrease of 4.6 percent over the final budgeted revenues for the fiscal year ended June 30, 2020 (\$50,899,613). Most of this decrease is due to an accounting change for fiscal year 2021. In fiscal year 2021, the city created Capital Project Funds for both Class C Road and Local Highway Tax revenues.
- The City continues its approach of budgeting conservatively to avoid revenue shortfalls. The City experienced an increase in sales tax revenues in fiscal year 2020 compared to 2019 despite the COVID-19 pandemic. Due to the uncertain nature and impact of the COVID-19 pandemic, the City did decrease its expected sales tax revenue budgeted in fiscal year 2021 to \$17,085,329, down \$796,978 when compared to what was budgeted in 2020. The City will continue to monitor revenues, especially sales tax revenues, and make adjustments as needed as the City deals with the COVID-19 pandemic.
- General Fund expenditures in fiscal year 2021 are budgeted \$1,291,425 less than fiscal year 2020. This is largely due to the accounting change for Class C Road and Local Highway Tax revenues, which starting in fiscal year 2021 will be budgeted in the Capital Project Fund. When adjusting prior year budgeted expenditures for these changes, the budgeted expenditures are expected to increase \$1,467,281 over the prior year. The majority of this increase is due to increased personnel costs from adding employees and attempting to remain competitive through merit/cost-of-living adjustments.

- A number of fee schedule changes were approved in the 2021 budget. The most notable changes are increasing garbage can fees (both for first and additional cans) and the addition of cemetery and burials fees from the City expanding its cemetery and the removal of the recreation center fees.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of South Jordan's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of South Jordan, Finance Department, 1600 West Towne Center Drive, South Jordan, UT 84095 or call (801) 446-HELP.



Basic Financial Statements

Government-Wide Financial Statements

CITY OF SOUTH JORDAN
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, Cash Equivalents, and Investments	\$ 86,536,512	\$ 40,684,585	\$ 127,221,097
Restricted Cash	11,515,982	1,672,799	13,188,781
Receivables	53,880,727	4,443,341	58,324,068
Inventories	14,050	211,263	225,313
Prepays	-	-	-
Other Assets	-	4,294,964	4,294,964
Net Pension Asset	942,398	-	942,398
Capital Assets Net of Depreciation:			
Land	89,878,933	12,556,043	102,434,976
Water Shares	-	18,961,482	18,961,482
Buildings	27,623,964	672,616	28,296,580
Improvements	169,245,294	95,522,915	264,768,209
Machinery and Equipment	8,487,704	1,324,651	9,812,355
Construction in Progress	22,376,790	10,919,148	33,295,938
Right of Way	8,216,956	-	8,216,956
Total Assets	<u>478,719,310</u>	<u>191,263,807</u>	<u>669,983,117</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	233,021	213,199	446,220
Resources Related to Pensions	3,856,122	193,392	4,049,514
Total Deferred Outflows of Resources	<u>4,089,143</u>	<u>406,591</u>	<u>4,495,734</u>
LIABILITIES			
Accounts Payable	6,237,162	2,214,158	8,451,320
Other Liabilities	7,184,712	640,131	7,824,843
Accrued Interest Payable	888,422	65,725	954,147
Long-term Liabilities			
Due Within One Year	6,876,151	2,206,009	9,082,160
Due in More Than One Year	76,647,978	7,236,625	83,884,603
Net Pension Liability	6,414,348	562,563	6,976,911
Total Liabilities	<u>104,248,773</u>	<u>12,925,211</u>	<u>117,173,984</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	22,763,246	-	22,763,246
Resources Related to Pensions	3,742,597	277,886	4,020,483
Total Deferred Inflows of Resources	<u>26,505,843</u>	<u>277,886</u>	<u>26,783,729</u>
NET POSITION			
Net Investment in Capital Assets	242,993,458	130,438,039	373,431,497
Restricted For:			
Capital Improvements and Equipment	5,092,797	2,675,310	7,768,107
Transportation	1,459,955	-	1,459,955
Construction	9,363,570	-	9,363,570
Debt Service	2,152,412	1,672,799	3,825,211
Public Safety	245,198	-	245,198
Unrestricted	90,746,447	43,681,153	134,427,600
Total Net Position	<u>\$ 352,053,837</u>	<u>\$ 178,467,301</u>	<u>\$ 530,521,138</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN
Statement of Activities
For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government							
Governmental:							
General Government	\$ 17,432,244	\$ 4,248,044	\$ 2,521,394	\$ -	\$ (10,662,806)	\$ -	\$ (10,662,806)
Administrative Services	10,888,967	242,848	76,258	1,059,412	(9,510,449)	-	(9,510,449)
Development Services	5,456,960	4,494,010	-	-	(962,950)	-	(962,950)
Public Works	15,882,104	2,727,750	3,063,485	48,843,183	38,752,314	-	38,752,314
Recreation	1,649,535	883,997	-	-	(765,538)	-	(765,538)
Public Safety	18,867,633	3,626,106	264,494	-	(14,977,033)	-	(14,977,033)
Interest on Long-Term Debt	2,767,426	-	-	-	(2,767,426)	-	(2,767,426)
Total Governmental Activities	<u>\$ 72,944,869</u>	<u>\$ 16,222,755</u>	<u>\$ 5,925,631</u>	<u>\$ 49,902,595</u>	<u>\$ (893,888)</u>	<u>\$ -</u>	<u>\$ (893,888)</u>
Business-Type:							
Water	19,256,677	22,691,199	-	9,417,565	-	12,852,087	12,852,087
Sanitation	3,974,790	4,658,606	-	-	-	683,816	683,816
Mulligans	1,061,018	1,364,483	-	-	-	303,465	303,465
Total Business-Type Activities	<u>24,292,485</u>	<u>28,714,288</u>	<u>-</u>	<u>9,417,565</u>	<u>-</u>	<u>13,839,368</u>	<u>13,839,368</u>
Total Primary Government	<u>97,237,354</u>	<u>44,937,043</u>	<u>5,925,631</u>	<u>59,320,160</u>	<u>(893,888)</u>	<u>13,839,368</u>	<u>12,945,480</u>
General Revenues:							
Property Taxes					27,243,222	-	27,243,222
Sales and Use Tax					16,546,021	-	16,546,021
Energy Sales and Use Tax					4,175,686	-	4,175,686
Other Taxes					3,394,897	-	3,394,897
Gain on Disposition of Capital Assets					730,503	-	730,503
Investment Earnings					2,812,937	820,575	3,633,512
Transfers					(1,395,091)	1,395,091	-
Total General Revenues and Transfers					<u>53,508,175</u>	<u>2,215,666</u>	<u>55,723,841</u>
Change in Net Position					52,614,287	16,055,034	68,669,321
Net Position - Beginning					299,439,550	162,412,267	461,851,817
Net Position - Ending					<u>\$ 352,053,837</u>	<u>\$ 178,467,301</u>	<u>\$ 530,521,138</u>

The notes to the basic financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

The General Fund is used to account for resources traditionally associated with a government which are not required legally or by sound financial management to be accounted for in another fund.

Redevelopment Agency (RDA)

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

Capital Projects Fund

The Capital Projects Fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants, transfers from the General Fund, and interest earnings are the principal sources of funding for these projects.

Debt Service Fund

This fund is used to accumulate resources for and payment of bond principal and interest for governmental funds.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 116.



CITY OF SOUTH JORDAN
Balance Sheet

Governmental Funds

June 30, 2020

	General	Redevelopment Agency	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash, Cash Equivalents, and Investments	\$ 17,445,108	\$ 22,478,953	\$ 40,246,614	\$ 2,264,548	\$ 4,101,289	\$ 86,536,512
Restricted Cash	-	-	9,363,848	2,152,104	30	11,515,982
Receivables	18,362,079	11,115,000	248,101	23,861,570	293,977	53,880,727
Inventories	14,050	-	-	-	-	14,050
Due From Other Funds	-	-	-	-	8,002	8,002
Total Assets	<u>\$ 35,821,237</u>	<u>\$ 33,593,953</u>	<u>\$ 49,858,563</u>	<u>\$ 28,278,222</u>	<u>\$ 4,403,298</u>	<u>\$ 151,955,273</u>
LIABILITIES						
Accounts Payable and Accrued Liabilities	2,568,223	1,245,056	2,345,155	364	78,364	6,237,162
Construction Bonds and Refunds	7,184,712	-	-	-	-	7,184,712
Unearned Revenues	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	8,002	8,002
Total Liabilities	<u>9,752,935</u>	<u>1,245,056</u>	<u>2,345,155</u>	<u>364</u>	<u>86,366</u>	<u>13,429,876</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Property Taxes	11,770,825	11,115,000	-	-	-	22,885,825
Unavailable Revenue - Special Assessments	-	-	-	23,861,570	-	23,861,570
	<u>11,770,825</u>	<u>11,115,000</u>	<u>-</u>	<u>23,861,570</u>	<u>-</u>	<u>46,747,395</u>
FUND BALANCES						
Nonspendable	14,050	-	-	-	-	14,050
Restricted	1,705,153	-	14,456,645	2,152,104	30	18,313,932
Committed	-	-	-	-	-	-
Assigned	2,411,526	21,233,897	33,056,763	2,264,184	4,316,902	63,283,272
Unassigned	10,166,748	-	-	-	-	10,166,748
Total Fund Balances	<u>14,297,477</u>	<u>21,233,897</u>	<u>47,513,408</u>	<u>4,416,288</u>	<u>4,316,932</u>	<u>91,778,002</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,821,237</u>	<u>\$ 33,593,953</u>	<u>\$ 49,858,563</u>	<u>\$ 28,278,222</u>	<u>\$ 4,403,298</u>	

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

Capital assets used in governmental activities are not financial resources.	325,829,641
Other long-term assets and deferred outflows of resources are not available to pay for current expenditures.	24,926,547
Long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period.	(90,593,878)
Deferred inflows and outflows of resources related to pensions are not applicable to the current period.	113,525
Net assets of governmental activities	<u>\$ 352,053,837</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN
Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2020

	General	Redevelopment Agency	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 35,838,974	\$ 15,449,356	\$ -	\$ -	\$ -	\$ 51,288,330
Licenses and Permits	4,033,362	-	-	-	-	4,033,362
Intergovernmental	5,214,383	-	994,546	-	353,474	6,562,403
Charges for Services	6,821,258	-	-	-	3,364,735	10,185,993
Fines and Forfeitures	454,674	-	-	-	-	454,674
Special Assessments	-	-	-	2,991,348	-	2,991,348
Interest	1,104,320	457,232	413,692	785,871	51,822	2,812,937
Impact Fees	-	-	2,172,757	-	-	2,172,757
Miscellaneous	759,649	-	1,308,870	-	6,561	2,075,080
Total Revenues	54,226,620	15,906,588	4,889,865	3,777,219	3,776,592	82,576,884
EXPENDITURES						
Current						
General Government	5,999,119	347,459	483,777	-	110,684	6,941,039
Administrative Services	9,619,581	-	38,454	-	-	9,658,035
Development Services	4,793,402	-	137,525	-	98,875	5,029,802
Public Works	6,210,776	-	184,019	-	1,540,208	7,935,003
Recreation	-	-	-	-	1,161,265	1,161,265
Public Safety	16,276,391	-	200,952	-	-	16,477,343
Tax Increment Distributions	-	8,657,583	-	-	-	8,657,583
Capital Outlay and Projects	411,627	7,801	19,871,011	-	175,255	20,465,695
Developer Reimbursement	-	-	192,613	-	-	192,613
Debt Service						
Principal	-	1,049,000	-	8,180,000	625,000	9,854,000
Interest and Fees	-	48,104	-	2,863,411	98,163	3,009,678
Bond Issuance Costs	-	-	201,464	-	-	201,464
Total Expenditures	43,310,896	10,109,947	21,309,816	11,043,411	3,809,450	89,583,520
Excess (Deficiency) of Revenues Over Expenditures	10,915,724	5,796,641	(16,419,951)	(7,266,192)	(32,858)	(7,006,636)
OTHER FINANCING SOURCES (USES)						
Issuance of Long Term Debt	-	-	15,130,000	-	-	15,130,000
Bond Premium	-	-	2,745,045	-	-	2,745,045
Sale of Capital Assets	66,512	-	979,532	-	-	1,046,044
Transfers In	47,968	-	8,025,701	7,287,659	721,513	16,082,841
Transfers Out	(7,477,839)	(3,003,857)	(5,520,696)	(39,150)	(1,436,390)	(17,477,932)
Total Other Financing Sources (Uses)	(7,363,359)	(3,003,857)	21,359,582	7,248,509	(714,877)	17,525,998
Net Change in Fund Balances	3,552,365	2,792,784	4,939,631	(17,683)	(747,735)	10,519,362
Fund Balances - July 1	10,745,112	18,441,113	42,573,777	4,433,971	5,064,667	81,258,640
Fund Balances - June 30	\$ 14,297,477	\$ 21,233,897	\$ 47,513,408	\$ 4,416,288	\$ 4,316,932	\$ 91,778,002

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN**Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities**For the Year Ended June 30, 2020

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

Net Change in Fund Balance -- Total Governmental Funds	\$ 10,519,362
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	9,072,383
The net effect of various miscellaneous transactions involving capital assets (i.e. , sales, trade-ins, and donations) is to increase net position.	45,040,500
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,772,177)
The Statement of Activities reports net pension expense, benefit expense, and nonemployer contribution revenue from the application of GASB 68 which is not shown in the fund statements.	(990,237)
Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net position. Repayments of bond and capital lease principal are expenditures in the governmental funds but reduce liabilities in the statement of net position.	(7,666,019)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(589,525)</u>
Change in net position of governmental activities	<u>\$ 52,614,287</u>

The notes to the basic financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

MAJOR FUNDS

Water Fund

The Water Fund is used to account for the activities of the City's water operations.

NONMAJOR FUNDS

Nonmajor Funds

Nonmajor proprietary funds are presented by fund type beginning on page 125.



CITY OF SOUTH JORDAN
Statement of Net Position
Proprietary Funds
June 30, 2020

	Water Fund	Nonmajor Proprietary Funds	Total
ASSETS			
Current Assets			
Cash, Cash Equivalents, and Investments	\$ 34,875,844	\$ 5,808,741	\$ 40,684,585
Accounts Receivable Net of Allowance	3,958,865	484,476	4,443,341
Inventories	195,630	15,633	211,263
Total Current Assets	39,030,339	6,308,850	45,339,189
Noncurrent Assets			
Restricted Cash	1,672,799	-	1,672,799
Net Pension Asset	-	-	-
Investment in Landfill	-	4,294,964	4,294,964
Capital Assets			
Land	2,599,425	9,956,618	12,556,043
Water Shares	18,961,482	-	18,961,482
Buildings and Structures	1,493,756	699,799	2,193,555
Improvements - Other than Buildings	147,583,317	1,066,473	148,649,790
Machinery and Equipment	2,872,445	1,650,441	4,522,886
Construction in Progress	10,863,960	55,188	10,919,148
Less Accumulated Depreciation	(55,673,426)	(2,172,623)	(57,846,049)
Capital Assets (Net of Accum Depreciation)	128,700,959	11,255,896	139,956,855
Total Noncurrent Assets	130,373,758	15,550,860	145,924,618
Total Assets	169,404,097	21,859,710	191,263,807
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	213,199	-	213,199
Resources Related to Pensions	142,164	51,228	193,392
Total Deferred Outflows of Resources	355,363	51,228	406,591
LIABILITIES			
Current Liabilities			
Accounts Payable	1,860,148	354,010	2,214,158
Accrued Liabilities	474,623	79,323	553,946
Interest Payable	65,725	-	65,725
Construction Bonds and Refunds	86,185	-	86,185
Compensated Absences	75,775	35,234	111,009
Bonds Payable	2,095,000	-	2,095,000
Total Current Liabilities	4,657,456	468,567	5,126,023
Noncurrent Liabilities			
Compensated Absences	29,962	9,649	39,611
Bonds and Leases Payable	7,197,014	-	7,197,014
Net Pension Liability	495,073	67,490	562,563
Total Noncurrent Liabilities	7,722,049	77,139	7,799,188
Total Liabilities	12,379,505	545,706	12,925,211
DEFERRED INFLOWS OF RESOURCES			
Resources Related to Pensions	215,680	62,206	277,886
NET POSITION			
Net Investment in Capital Assets	119,188,274	11,249,765	130,438,039
Restricted for:			
Capital Improvements	2,675,310	-	2,675,310
Debt Service	1,672,799	-	1,672,799
Unrestricted	33,627,892	10,053,261	43,681,153
Total Net Position	\$ 157,164,275	\$ 21,303,026	\$ 178,467,301

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN**Statement of Revenues, Expenses, and Changes in Net Position**

Proprietary Funds

For the Year Ended June 30, 2020

	Water Fund	Nonmajor Proprietary Funds	Total
OPERATING REVENUES			
Charges for Services			
Operations	\$ 756,789	\$ 5,519,031	\$ 6,275,820
Pledged as Security for Revenue Bonds	21,903,952	-	21,903,952
Miscellaneous	30,458	56,836	87,294
Total Operating Revenues	<u>22,691,199</u>	<u>5,575,867</u>	<u>28,267,066</u>
OPERATING EXPENSES			
Costs of Services	12,497,789	4,419,038	16,916,827
General and Administrative	2,000,556	484,367	2,484,923
Depreciation	4,534,190	132,403	4,666,593
Total Operating Expenses	<u>19,032,535</u>	<u>5,035,808</u>	<u>24,068,343</u>
Operating Income	<u>3,658,664</u>	<u>540,059</u>	<u>4,198,723</u>
NON-OPERATING REVENUES (EXPENSES)			
Increase in Joint Venture	-	447,222	447,222
Interest	711,800	108,775	820,575
Bond Issuance Costs	-	-	-
Gain (Loss) on Sale of Capital Assets	12,055	-	12,055
Interest and Fees	(236,197)	-	(236,197)
Total Non-Operating Revenue (Expenses)	<u>487,658</u>	<u>555,997</u>	<u>1,043,655</u>
Income Before Contributions and Transfers	<u>4,146,322</u>	<u>1,096,056</u>	<u>5,242,378</u>
CONTRIBUTIONS AND TRANSFERS			
Capital Contributions, Impact Fees and Other	9,417,565	-	9,417,565
Transfers In	1,775,000	-	1,775,000
Transfers Out	(191,668)	(188,241)	(379,909)
Total Contributions and Transfers	<u>11,000,897</u>	<u>(188,241)</u>	<u>10,812,656</u>
Change in Net Position	15,147,219	907,815	16,055,034
Net Position - Beginning	<u>142,017,056</u>	<u>20,395,211</u>	<u>162,412,267</u>
Net Position - Ending	<u>\$ 157,164,275</u>	<u>\$ 21,303,026</u>	<u>\$ 178,467,301</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN
Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2020

	Water Fund	Nonmajor Proprietary Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 21,813,997	\$ 5,550,374	\$ 27,364,371
Payments to Suppliers	(11,623,337)	(3,675,228)	(15,298,565)
Interfund Services	(2,000,556)	(499,576)	(2,500,132)
Payments to Employees	(1,659,859)	(881,443)	(2,541,302)
Net Cash Provided by Operating Activities	6,530,245	494,127	7,024,372
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	1,775,000	-	1,775,000
Transfers Out	(191,668)	(188,241)	(379,909)
Net Cash Used by Noncapital Financing Activities	1,583,332	(188,241)	1,395,091
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Impact Fees	792,786	-	792,786
Purchase of Capital Assets	(7,250,394)	(87,645)	(7,338,039)
Principal Paid on Capital Debt	(2,035,000)	-	(2,035,000)
Interest Paid on Capital Debt	(446,725)	-	(446,725)
Proceeds From Sale of Capital Assets	12,055	-	12,055
Net Cash Used by Capital and Related Financing Activities	(8,927,278)	(87,645)	(9,014,923)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	711,800	108,775	820,575
Net Increase (Decrease) in Cash and Cash Equivalents	(101,901)	327,016	225,115
Cash and Cash Equivalents - Beginning of Year	36,650,544	5,481,725	42,132,269
Cash and Cash Equivalents - End of Year	\$ 36,548,643	\$ 5,808,741	\$ 42,357,384
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	\$ 3,658,664	\$ 540,059	\$ 4,198,723
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	4,534,190	132,403	4,666,593
(Increase) Decrease in Receivables	(858,937)	(28,144)	(887,081)
(Increase) Decrease in Inventory	(147,143)	4,098	(143,045)
(Increase) Decrease in Net Pension Asset	-	-	-
(Increase) Decrease in Deferred Outflows Related to Pensions	(99,574)	(32,419)	(131,993)
Increase (Decrease) in Accounts Payable	(313,432)	(76,861)	(390,293)
Increase (Decrease) in Accrued Liabilities	(145,680)	(16,699)	(162,379)
Increase (Decrease) in Accrued Vacation and Sick Leave	14,243	11,216	25,459
Increase (Decrease) in Net Pension Liability	(212,294)	(74,864)	(287,158)
Increase (Decrease) in Deferred Inflows Related to Pensions	100,208	35,338	135,546
Total Adjustments	2,871,581	(45,932)	2,825,650
Net Cash Provided by Operating Activities	\$ 6,530,245	\$ 494,127	\$ 7,024,372
Noncash Investing, Capital, and Financing Activities:			
Contributions of Capital Assets From Developers	\$ 8,624,779	\$ -	\$ 8,624,779
Increase in Equity Investment in Trans-Jordan Landfill	-	447,222	447,222

The notes to the basic financial statements are an integral part of this statement.

FIDUCIARY FUNDS

MFTC Fund

This fund is used to account for the activities of the Metro Fire Testing Consortium, which was created to enhance efficiencies between member agencies and applicants for the positions of entry-level firefighter EMT, AEMT, firefighter paramedic, and paramedic.



CITY OF SOUTH JORDAN**Statement of Fiduciary Net Position**

Metro Fire Testing Consortium (MFTC) Fund

June 30, 2020

	Agency Fund
<hr/>	
ASSETS	
Cash, Cash Equivalents, and Investments	\$ 15,762
Prepaid Items	-
Total Assets	<hr/> \$ 15,762 <hr/>
LIABILITIES	
Accounts Payable and Accrued Liabilities	-
Due to Other Governments	15,762
Total Liabilities	<hr/> \$ 15,762 <hr/>
NET POSITION	
Net position held in trust	<hr/> \$ - <hr/>

The notes to the basic financial statements are an integral part of this statement.

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Jordan's (the City) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of South Jordan was incorporated on November 8, 1935, under laws of the state of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body, consisting of the Mayor and a five-member City Council. They are assisted by a City Manager. The Chief Financial Officer/Budget Officer is currently responsible for the financial matters of the City, including money management, accounts payable, financial statements, and accounts receivable.

The City provides the following services as mandated by law: public safety, judicial services, highways and streets, sanitation, parks, water, public improvements, planning and zoning, and general administrative services.

The Comprehensive Annual Financial Report (CAFR) of the City includes the financial statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14, as amended. The primary criterion for including a board or an agency in this report is financial accountability, which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are combined with data of the primary government. Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The Municipal Building Authority (MBA) was created by the City during fiscal year 1995 and is governed by the City's Mayor and Council. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of general capital assets for the City. The bonds are secured by a lease agreement with the City and will be retired through lease payments from the City.

The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit.

The Redevelopment Agency is governed by a separate governing board, who are the City's Mayor and Council. The financial statements of the Redevelopment Agency are included in the accompanying financial statements as a blended component unit.

The Municipal Building Authority and the Redevelopment Agency are considered blended component units because the governing board in each case is the same governing board of the City. In addition, the primary government has operational responsibility for both the Municipal Building Authority and the Redevelopment Agency. There is also a direct financial benefit/burden relationship between the Municipal Building Authority and the Redevelopment Agency with the primary government.

The Municipal Building Authority is presented as a debt service fund in the financial statements, and the Redevelopment Agency is presented as a special revenue fund in the financial statements.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices or online at www.sjc.utah.gov.

City of South Jordan Municipal Building Authority
1600 West Towne Center Drive
South Jordan City, Utah 84095

City of South Jordan Redevelopment Agency
1600 West Towne Center Drive
South Jordan City, Utah 84095

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt as well as expenditures related to compensated absences, claims, and judgments, which are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period.

All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

The *Redevelopment Agency Special Revenue Fund* accounts for the activities of the agency, a blended component unit of the City. The agency is an entity established to further public purpose in the redevelopment of City areas. The major source of revenue for this fund is tax increment revenue.

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The government reports the following major proprietary fund:

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

Additionally, the government reports the following fund types:

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

The *Agency Fund* accounts for fire employment testing fees collected and expended for the Metro Fire Testing Consortium (MFTC).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by the various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments.

Investments consist of amounts deposited with Utah Public Treasurers' Investment Fund, United States Treasury bills, money market funds, and various investment securities. Investments are stated at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds".

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. Prepaid expenditures of governmental funds are recorded as expenditures when purchased using the purchases method.

4. Restricted Assets/Restricted Net Position

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service. It is the policy of the City to use restricted assets first and then use unrestricted assets.

Restricted net position represents resources that are subject to external restrictions on how they may be used. Of the \$22,662,041 reported as restricted net position in the statement of net position, \$9,228,062 is restricted due to enabling legislation (\$6,552,752 for governmental activities and \$2,675,310 for business-type activities).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the functionality of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized cost of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	30-50
Improvements other than buildings	20-50
Infrastructure	30-50
Machinery and equipment	3-10
Furniture and fixtures	5-10

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period(s) and so *will not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category – a deferred charge on refunding and resources related to pensions, both of which are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions results from the difference between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period(s) and so *will not* be recognized as an inflow of resources (revenue) until that time. The City has one item, *deferred revenue*, which qualifies for reporting in this category on both the government-wide statement of net position and governmental funds balance sheet. Both statements report unavailable revenue due to property taxes, while the governmental funds balance sheet also reports unavailable revenue due to special assessments. In addition, the statement of net position reports *resources related to pensions*, which relates to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

7. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. They are allowed to carry forward into the next calendar year accrued vacation up to 320 hours (number of hours carried forward depends on years of service and hire date) and all sick leave, but are encouraged to take their vacation leave within the calendar year in which it is earned. Upon termination of employment, an employee will be compensated for all unused vacation leave but forfeits any accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, any compensated absence liability has typically been liquidated by the General Fund.

8. Taxes

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax, which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st, and real estate and improvement taxes are levied on January 1st and are payable by November 30th. The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 22nd each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

9. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the accrual debt proceeds received, are reported as debt service expenditures.

10. Fund Balance

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

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable. Nonspendable fund balance represents inventory and long-term receivables.
- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service, impact fees, unspent capital lease proceeds, grant revenue, police forfeiture money, and liquor allotment from the state of Utah.
- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City currently has no items in this category.
- **Assigned.** This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Chief Financial Officer/Budget Officer. Also included are all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed or in the General Fund that are intended to be used for specific purposes. The City currently has multiple General Fund assignments as detailed on the next page.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

- **Unassigned.** Residual balances in the General Fund are classified as unassigned. The General Fund is the only fund that reports a positive unassigned fund balance. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance in that fund.

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

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code § 10-6-116(4) which requires a minimum fund balance of 5 percent of total revenues to be maintained in the General Fund. For fiscal year 2020, this amount is \$2,452,509.

Below is fund balance detail for each category of fund balances in the governmental funds:

FUND BALANCES	General	RDA	Capital Projects	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	\$ 14,050	\$ -	\$ -	\$ -	\$ -	\$ 14,050
Restricted						
Debt Service	-	-	278	2,152,104	30	2,152,412
Construction	-	-	9,363,570	-	-	9,363,570
Impact Fees	-	-	5,092,797	-	-	5,092,797
Public Safety Forfeiture/State Grants	51,365	-	-	-	-	51,365
Liquor Allotment	193,833	-	-	-	-	193,833
County Road Funds	1,459,955	-	-	-	-	1,459,955
Committed	-	-	-	-	-	-
Assigned						
Debt Service	-	-	-	2,264,184	-	2,264,184
RDA	-	21,233,897	-	-	-	21,233,897
Capital Projects	-	-	33,056,763	-	-	33,056,763
Storm Drain Projects	-	-	-	-	2,814,195	2,814,195
Fitness Center	-	-	-	-	1,163,282	1,163,282
Arts Council Master Plan	30,000	-	-	-	-	30,000
Cost of Service Study	8,000	-	-	-	-	8,000
Theatrical Production	45,000	-	-	-	-	45,000
Road Projects	122,703	-	-	-	-	122,703
CARES Act Funds	2,190,461	-	-	-	-	2,190,461
Arts Council Donation	15,362	-	-	-	-	15,362
MBA	-	-	-	-	339,425	339,425
Unassigned	<u>10,166,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,166,748</u>
Total Fund Balances	<u>\$ 14,297,477</u>	<u>\$ 21,233,897</u>	<u>\$ 47,513,408</u>	<u>\$ 4,416,288</u>	<u>\$ 4,316,932</u>	<u>\$ 91,778,002</u>

11. Use of Estimates

Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may vary from these estimates.

12. Pensions

For purposes of measuring 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) and additions to/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.

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

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

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

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

Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 471,147,406
Accumulated depreciation	<u>(145,317,765)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 325,829,641</u>

CITY OF SOUTH JORDAN
Notes to the Financial Statements
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Long-term debt transactions:

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

Bonds payable	\$ 73,540,000
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(233,021)
Bond premium (to be amortized to interest income)	7,203,449
Accrued interest payable	888,422
Compensated absences	2,587,757
Claims and judgments	192,923
Net Pension Liability	<u>6,414,348</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 90,593,878</u>

Long Term Assets:

Long term assets applicable to the City's governmental activities which are not available to pay expenses of the current period are deferred in the fund statements. However, in the statement of net position, the charges were reported as a reduction of expense or revenue when earned.

Special assessments	\$ 23,861,570
Net Pension Asset	942,398
Delinquent property taxes	<u>122,579</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 24,926,547</u>

Deferred Inflows and Outflows Related to Pensions:

Deferred inflows and outflows related to the City's net pension asset and net pension liability represent acquisition and consumption of net position that are not applicable in the current period, and therefore not reported in the governmental funds balance sheet. However, these deferred inflows and outflows are reported in the statement of net position.

Deferred outflows related to pensions	\$ 3,856,122
Deferred inflows related to pensions	(<u>3,742,597</u>)
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$ <u><u>113,525</u></u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

Capital outlay	\$20,194,629
Depreciation expense	(<u>11,122,246</u>)
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u><u>9,072,383</u></u>

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.”

In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (\$ 477,486)

Capital assets donated by outside parties are recorded as revenues in the statement of activities, thus net position increases by the value of the donated assets. 45,517,986

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* \$ 45,040,500

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources, are not reported as revenues and are shown as a deferred inflow of resources in the funds.

However, in the statement of activities, revenue is reported when earned. Thus, the change is to reduce revenue by the amount of the previously reported revenue and to increase revenue by the amount of accrued revenue.

Special assessments (\$ 2,843,674)
Delinquent Property Taxes 71,497

Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* (\$ 2,772,177)

Another element of that reconciliation states that “The statement of activities reports net pension expense, benefit expense, and nonemployer contribution revenue from the application of GASB 68 which is not shown in the fund statements.”

Net pension expense (\$ 4,101,814)

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Benefit expense	2,210,524
Nonemployer contributions (fire premium tax or court fees)	<u>901,053</u>

Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* (\$ 990,237)

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:	
2019 Sales Tax Revenue and Refund Bond Issued	(\$15,130,000)
Bond Premium	(2,745,045)
Deferred refunding costs amortization	<u>(49,138)</u>
Total debt incurred	<u>(\$ 17,924,183)</u>

Principal payments:	
MBA Revenue Bonds	\$ 625,000
Redevelopment Agency Bonds	1,049,000
Sales Tax Bonds	5,350,000
2016 Special Assessment Bonds	2,830,000
Claims and Judgements	(26,461)
Bond premium amortization	<u>430,625</u>
Total principal payments	<u>\$ 10,258,164</u>

Net adjustments to decrease *net changes in fund balances-total governmental funds* to arrive at *changes in net position of governmental activities* (\$ 7,666,019)

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

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

Compensated absences	\$ (450,290)
Accrued interest	<u>(139,235)</u>

Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u><u>(\$ 589,525)</u></u>
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NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

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

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

- A. On or before the first regularly scheduled meeting of the City Council in May, the Chief Financial Officer/Budget Officer submits a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 22nd, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1st.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The Chief Financial Officer/Budget Officer has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing, as required in B. above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

- G. Encumbrances lapse at year end. Encumbered amounts do not carry over to the following year and are subject to re-appropriation. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget on several occasions using the above procedures.

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NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds.
At June 30, 2020, the City's cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash	\$ 1,972,716
Cash Equivalents and Investments	<u>138,452,924</u>
Total Cash, Cash Equivalents and Investments	<u>\$ 140,425,640</u>

While the City's carrying amount of deposits was \$140,425,640, the balance in the City's bank account and cash on hand was \$144,036,271, with the difference being due to outstanding checks and deposits in transit.

A. Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Utah Money Management Act. The Act requires all deposits of the City 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 requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2020, the deposits are as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2020</u>
Checking	Insured	\$ 73,701
Investment Sweep	Insured	176,299
Investment Sweep	Uninsured and	
	Uncollateralized	<u>5,350,347</u>
Total Deposits		<u>\$ 5,600,347</u>

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. All investments other than bank deposits or funds invested in the state treasurer's fund are held by a third party with securities delivered on delivery vs. purchase basis. The entire \$138,435,923 of the City's various investments are uninsured, uncollateralized, and held by the counterparty's trust department or agency in the City's name.

B. Credit Risk

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

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

The following are the City's investments as of June 30, 2020:

<u>Investments</u>	<u>Investment Maturities (in Years)</u>				<u>Quality Ratings</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>	
Currency/Cash (Receivable/Payable)	\$ (144,776)	\$ -	\$ -	\$ -	AAA
Collateralized Money Market	212,247	-	-	-	Unrated
Utah Public Treasurer's Investment Fund	113,526,895	-	-	-	Unrated
US Government or US Agencies	252,105	909,664	-	-	AAA
Certified Deposits (CD)	-	3,882,095	-	-	Unrated
Corporate Notes	3,583,560	16,214,133	-	-	A- to AA+
Total Investments	<u>\$ 117,430,031</u>	<u>\$ 21,005,892</u>	<u>\$ -</u>	<u>\$ -</u>	

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to between 270 days to 15 months, or less.

The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years. Maturities of the City's investments are noted above. The City does not have its own formal policy relating to investment-related risk.

D. Concentration of Credit Risk

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

At June 30, 2020, South Jordan City does not hold more than 5 percent in any single security concentration other than U.S. Government treasuries and agencies in its portfolios. Therefore, the City is within the limits established by the Council's rule 17.

E. Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). 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.

As of June 30, 2020, the City had the following recurring fair value measurements:

- Money market, collateralized money market, US Government and US Agencies totaling \$1,229,240 valued using quoted market prices (Level 1 inputs).
- Utah Public Treasurer's Investment Fund totaling \$113,526,895 valued using the application of the June 30, 2020 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the fund (Level 2 inputs).
- Corporate note securities totaling \$23,679,788 valued using quoted prices for similar securities in active markets (Level 2 inputs).

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

	As of	Fair Value Measurements Using		
	6/30/2020	Level 1	Level 2	Level 3
Investments by fair value level				
Debt Securities				
U.S. Treasuries	\$ 51,387	\$ 51,387	\$ -	\$ -
U.S. Agencies	1,110,381	1,110,381	-	-
Corporate Bonds	19,797,693	-	19,797,693	-
Negotiable Certificates of Deposit	3,882,095	-	3,882,095	-
Money Market Mutual Funds	212,247	212,247	-	-
Currency	(144,776)	(144,776)	-	-
Utah Public Treasurers' Investment Fund	113,526,896	-	113,526,896	-
Total Debt Securities	138,435,923	1,229,239	137,206,684	-
Equity Securities				
Common and Preferred Stock	-	-	-	-
Other	-	-	-	-
Equity Mutual Funds	-	-	-	-
Total Equity Securities	-	-	-	-
Other				
Donated Assets (Real Estate)	-	-	-	-
Total Investments by Fair Value Level	138,435,923	\$ 1,229,239	\$ 137,206,684	-
Investments Measured at Net Asset Value (NAV)				
Real Estate Funds	-			
Venture Capital Funds	-			
Global Investment Funds	-			
Private Equity Partnerships	-			
Total Investments Measured at NAV	-			
Total Investments Measured at Fair Value	\$ 138,435,923			

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

NOTE 5 – RECEIVABLES

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

	<u>General</u>	<u>RDA</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
Receivables:								
Accounts	\$ 157,811	\$ -	\$ -	\$ -	\$ 282,284	\$3,969,589	\$ 485,397	\$ 4,895,081
Property Tax	11,960,298	11,115,000	-	-	-	-	-	23,075,298
Other Taxes	3,543,808	-	-	-	-	-	-	3,543,808
Intergovernmental	2,700,162	-	248,101	-	12,437	-	-	2,960,700
Special								
Assessments	-	-	-	23,861,570	-	-	-	23,861,570
Less: Allowance for Uncollectible Accounts	-	-	-	-	(744)	(10,724)	(921)	(12,389)
	<u>\$18,362,079</u>	<u>\$11,115,000</u>	<u>\$ 248,101</u>	<u>\$23,861,570</u>	<u>\$ 293,977</u>	<u>\$3,958,865</u>	<u>\$ 484,476</u>	<u>\$58,324,068</u>

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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers:

	Transfer Out						Total
	General	RDA	Debt Service	Capital Projects	Nonmajor Govrnmtl.	Business-Type	
Transfer In:							
General	\$ -	\$ 19	\$ 39,150	\$ -	\$ 3,890	\$ 4,909	\$ 47,968
Capital Projects	6,093,201	300,000	-	-	1,257,500	375,000	8,025,701
Debt Service	1,384,638	1,982,325	-	3,920,696	-	-	7,287,659
Business Type	-	-	-	1,600,000	175,000	-	1,775,000
Nonmajor Govtl.	-	721,513	-	-	-	-	721,513
Total Transfer Out	<u>\$7,477,839</u>	<u>\$3,003,857</u>	<u>\$ 39,150</u>	<u>\$ 5,520,696</u>	<u>\$1,436,390</u>	<u>\$ 379,909</u>	<u>\$17,857,841</u>

The City transferred monies between funds to support debt service payments in the Debt Service Fund. In addition, the City transferred monies to support related capital expenditures in the Capital Projects Fund and risk management charges in the General Fund. The City also transferred \$1,600,000 from the Capital Projects Fund to the Water Fund to pay for a portion of several water projects.

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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

NOTE 7 – CAPITAL ASSET

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 74,405,518	\$ 15,639,256	\$ 165,841	\$ 89,878,933
Land Right of Way	8,216,956	-	-	8,216,956
Construction in Progress	13,333,596	15,308,962	6,265,768	22,376,790
Total capital assets not being depreciated	95,956,070	30,948,218	6,431,609	120,472,679
Capital assets being depreciated:				
Buildings	43,757,578	-	-	43,757,578
Improvements	246,727,918	38,327,738	50,878	285,004,778
Machinery and Equipment	20,112,237	2,689,591	889,457	21,912,371
Total capital assets being depreciated	310,597,733	41,017,329	940,335	350,674,726
Less accumulated depreciation for:				
Buildings	14,808,308	1,325,306	-	16,133,614
Improvements	108,039,796	7,742,638	22,950	115,759,484
Machinery and Equipment	11,988,941	2,054,302	618,577	13,424,667
Total accumulated depreciation	134,837,045	11,122,246	641,527	145,317,765
Total capital assets, being depreciated, net	175,760,688	29,895,083	298,808	205,356,961
Governmental activities capital assets, net	<u>\$ 271,716,758</u>	<u>\$ 60,843,301</u>	<u>\$ 6,730,418</u>	<u>\$ 325,829,641</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 12,556,043	\$ -	\$ -	\$ 12,556,043
Construction in Progress	20,983,246	5,154,881	15,218,978	10,919,149
Water Shares	18,961,482	-	-	18,961,482
Total capital assets not being depreciated	52,500,771	5,154,881	15,218,978	42,436,674
Capital assets being depreciated:				
Buildings	2,193,555	-	-	2,193,555
Improvements	122,701,232	25,948,556	-	148,649,788
Machinery and Equipment	4,485,937	78,358	41,409	4,522,886
Total capital assets being depreciated	129,380,724	26,026,914	41,409	155,366,229
Less accumulated depreciation for:				
Buildings	1,443,561	77,377	-	1,520,938
Improvements	48,815,991	4,310,883	-	53,126,874
Machinery and Equipment	2,961,312	278,333	41,409	3,198,236
Total accumulated depreciation	53,220,864	4,666,593	41,409	57,846,048
Total capital assets, being depreciated, net	76,159,860	21,360,321	-	97,520,181
Business-type activities capital assets, net	<u>\$ 128,660,631</u>	<u>\$ 26,515,202</u>	<u>\$ 15,218,978</u>	<u>\$ 139,956,855</u>

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 938,580
Development Services	108,646
Public Works	7,469,955
Public Safety	1,290,755
Recreation	481,187
Administrative Services	833,123
Total Depreciation Expense - Governmental Activities	<u>\$11,122,246</u>
Business-Type Activities:	
Water	4,534,190
Mulligans	74,279
Sanitation	58,124
Total Depreciation Expense - Business-Type Activities	<u>4,666,593</u>
Total Depreciation Expense	<u><u>\$15,788,839</u></u>

Construction Commitments

The City has various construction projects as of June 30, 2020, with commitments to contractors as follows:

Fund	Remianing Commitment
General Fund	\$ 11,700
Capital Projects	17,177,281
Nonmajor Governmental Projects (aggregate)	16,102
Water Fund	8,920,670
Nonmajor Enterprise Projects (aggregate)	74,075
Total	<u><u>\$ 26,199,828</u></u>

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

The City's Redevelopment Agency (RDA) has also entered into several Infrastructure Reimbursement agreements associated with the South Station and Commerce Park Project Areas. These agreements do commit available tax increment collected from the project to reimburse specific developers for public infrastructure constructed and land purchases for civic and public facilities (including educational facilities). This commitment is contingent upon work being completed, verified, and tax increment from the Project Areas being available for reimbursement. In addition, the agreement limits the City's total eligible amount under both agreements.

The City currently has the following amount eligible for reimbursement as of June 30, 2020:

Public Infrastructure	
South Station	\$ 5,890,812
Commerce Park	16,523,380
Land Purchases	
Total Potential Land	13,400,000
Total Commitment	<u><u>\$ 35,814,192</u></u>

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NOTE 8 - LEASE COMMITMENTS

The City leases fire apparatuses under noncancelable operating leases. Under the lease, \$183,828 will be due each year from fiscal year 2016 to fiscal year 2022.

The City leases office space adjacent to City hall. This is a 10-year lease for space beginning in 2015 and ending fiscal year 2025. Under this lease, the monthly base rent is \$3,900, increasing 3% each year. The current monthly base rent for fiscal year end 2020 was \$4,521.17. This will increase 3% in March 2021. As of June 30, 2020, the City's total monthly rent charge is \$5,765.54 per month. This includes amortized amounts for taxes, management fees, insurance, and other charges.

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NOTE 9 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2020, are comprised of the following:

Revenue Bonds:

- 2011 Municipal Building Authority Lease Revenue and Refunding Bonds:
\$6,880,000 Municipal Building Authority Lease Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through October 2023 – Interest is at a varying rate of 2.00% to 3.375%. This bond is secured with collateralized assets including the South Jordan Recreation Center and the South Jordan Gale Center. This bond contains a provision that states in the event of default, outstanding amounts are due immediately. The City expects to make all payments. \$ 2,705,000
- 2015 RDA Subordinate Sales and Tax Increment Bonds:
\$13,035,000 2015 RDA Subordinate Sales and Tax Increment Bonds due in annual principal and semi-annual interest payments through April 2032 – Interest is at a varying rate of 3.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 11,080,000
- 2017 Sales Tax Revenue Refunding Bonds:
\$21,155,000 Sales Tax Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through February 2040 – Interest is at a varying rate of 3.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 19,615,000

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

2017 Water Revenue and Refunding Bonds:

\$12,240,000 Water Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through November 2024 – Interest is at a varying rate of 4.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 8,300,000

2019 Sales Tax Revenue Refunding Bonds:

\$15,130,000 Water Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through August 2039 – Interest is at a varying rate of 4.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 14,500,000

Fiscal Year	Revenue Bonds			
	Governmental		Business-Type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 2,650,000	\$ 2,145,581	\$ 2,095,000	\$ 341,975
2022	2,760,000	2,030,916	1,970,000	240,350
2023	2,875,000	1,910,469	2,065,000	149,800
2024	2,785,000	1,781,606	2,170,000	54,250
2025	2,180,000	1,664,250	-	-
2026-2030	12,250,000	6,619,000	-	-
2031-2035	11,170,000	3,715,675	-	-
2036-2040	11,230,000	1,430,350	-	-
Total	\$ 47,900,000	\$ 21,297,848	\$ 8,300,000	\$ 786,375

Pledged Sources of Revenue Bonds:

The City has pledged sales tax revenue for the 2008 Sales Tax Revenue and Refunding Bonds, 2015 RDA Subordinate Sales Tax and Tax Increment Bonds, 2017 Sales Tax Revenue Refunding Bonds, and 2019 Sales Tax Revenue Refunding Bonds. The remaining principal and interest payments total \$69,197,848. For the current year, principal and interest paid and total pledged sales tax revenues were \$7,306,307 and \$16,546,021, respectively. During fiscal year 2020, the city refinanced the 2008 Sales Tax Revenue Bonds and issued the 2019 Sales Tax Revenue and Refunding Bonds. It is estimated that annual principal and interest payments on the bonds will require 23 percent of pledged revenues. It is important to note that sales tax is pledged on the 2015 RDA Subordinate Sales Tax and Tax Increment Bonds is only to the extent project area tax increment is insufficient to cover debt service on the bond.

The City has pledged water revenue for the 2017 Water Revenue and Refunding Bonds. The remaining principal and interest payments total \$9,086,375. For the current year, principal and interest paid and pledged water revenues were \$2,480,225 and \$21,903,952, respectively. It is estimated that annual principal and interest payments on the bonds will require 10.92 percent of pledged revenues.

The City has also pledged RDA tax increment revenue for the 2008 Redevelopment Agency Tax Increment Bonds and 2015 RDA Subordinate Sales Tax and Tax Increment Bonds. The City paid off the 2008 Redevelopment Agency Tax Increment Bond during fiscal year 2020. The remaining principal and interest payments total \$14,515,200. For the current year, principal and interest paid and pledged revenues were \$2,309,104 and \$3,131,426 respectively. It is estimated that annual principal and interest payments on the bonds will require 67 percent of pledged revenues.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Special Assessment Bond:

2016 Special Assessment Bonds:

\$32,675,000 Special Assessment Bonds (Daybreak Assessment Area No. 1) due in annual principal and semi-annual interest payments through November 2036 - Interest is at varying rates from 2.00 to 4.00%. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources, for example, foreclosure proceedings are received. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 25,640,000

Fiscal Year	Special Assessment Bond		
	Governmental		
	Principal	Interest	Total
2021	\$ 1,135,000	\$ 826,913	\$ 1,961,913
2022	1,185,000	780,513	1,965,513
2023	1,225,000	738,438	1,963,438
2024	1,265,000	701,088	1,966,088
2025	1,310,000	655,913	1,965,913
2026-2030	7,160,000	2,663,097	9,823,097
2031-2035	8,545,000	1,278,825	9,823,825
2036-2040	3,815,000	120,079	3,935,079
Total	\$ 25,640,000	\$ 7,764,865	\$ 33,404,865

Notes Payable:

\$192,923 note payable to URMMA. This payable is a result of insurance claims against the City. The additions reflect new insurance claims. The deductions represent payments made to URMMA. Payable over five years, due annually. This note bears no interest.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

All Notes and Bonds Payable:

The future annual requirements for all outstanding bond and note obligations as of June 30, 2020, are as follows:

Fiscal Year	All Bonds and Notes		
	Principal	Interest	Total
2021	\$ 5,959,244	\$ 3,314,469	\$ 9,273,713
2022	5,994,224	3,051,778	9,046,002
2023	6,199,455	2,798,707	8,998,162
2024	6,220,000	2,536,944	8,756,944
2025	3,490,000	2,320,163	5,810,163
2026-2030	19,410,000	9,282,097	28,692,097
2031-2035	19,715,000	4,994,500	24,709,500
2036-2040	15,045,000	1,550,428	16,595,428
Total	\$ 82,032,923	\$ 29,849,086	\$ 111,882,009

During fiscal year 2020, the City paid off its 2008 RDA Tax Increment Bonds. As a result, \$1,049,000 of principal was removed from the governmental activities column of the statement of net position.

During fiscal year 2020, the City issued \$15,130,000 of Sales Tax Revenue and Refunding Bonds to provide resources to build a new fire station, police substation and administration building and other related improvements and refinance the 2008 Sales Tax Revenue Bond. As a result, \$3,390,000 of the principal was removed from the governmental activities column of the statement of net position. The outstanding bond principal of \$3,390,000 was retired in fiscal year 2020. The transaction resulted in an increase in future debt service payments of \$11,740,000 and resulted in an economic gain of \$192,925.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Changes in Long-Term Debt

	July 1 2019	Additions	Reductions	June 30 2020	Due in One Year
Governmental Activities:					
Bonds Payable:					
2008 RDA Tax Increment Bonds	\$ 1,049,000	\$ -	\$ 1,049,000	\$ -	\$ -
2008 Sales Tax Revenue Bonds	3,390,000	-	3,390,000	-	-
2011 MBA Lease Revenue Refunding Bonds	3,330,000	-	625,000	2,705,000	645,000
2015 RDA Subordinate Sales Tax and Tax Increment Bonds	11,765,000	-	685,000	11,080,000	715,000
2016 Special Assessment Bonds	28,470,000	-	2,830,000	25,640,000	1,135,000
2017 Sales Tax Revenue Refunding Bonds	20,260,000	-	645,000	19,615,000	665,000
2019 Sales Tax Revenue Refunding Bonds	-	15,130,000	630,000	14,500,000	625,000
Unamortized Bond Premium	4,889,029	2,745,045	430,625	7,203,449	430,625
Total Bonds Payable	73,153,029	17,875,045	10,284,625	80,743,449	4,215,625
Capital Lease	-	-	-	-	-
Compensated Absences	2,137,467	658,293	208,003	2,587,757	1,692,840
Claims and Judgments	166,462	26,461	-	192,923	79,244
Total Governmental Long-Term Obligations	75,456,958	18,559,799	10,492,628	83,524,129	5,987,709
Business-Type Activities:					
Bonds Payable:					
2017 Water Revenue and Refunding Bonds	10,335,000	-	2,035,000	8,300,000	2,095,000
Unamortized Bond Premium	1,240,017	-	248,003	992,014	248,003
Total Bonds Payable	11,575,017	-	2,283,003	9,292,014	2,343,003
Compensated Absences	125,162	35,692	10,233	150,621	111,008
Total Business-Type Long-Term Obligations	11,700,179	35,692	2,293,236	9,442,635	2,454,011
Total Government-Wide Long-Term Obligations	\$ 87,157,137	\$ 18,595,491	\$ 12,785,864	\$ 92,966,764	\$ 8,441,720

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NOTE 10 - RETIREMENT PLAN

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is composed of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) and Firefighters Retirement System (Firefighters System) is a multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are both multiple employer, cost sharing, public employees, retirement systems.

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

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

URS issues a publicly available financial report that may be obtained by writing to the below address or by visiting the website www.urs.org/general/publications.

Utah Retirement Systems
560 E 200 S
Salt Lake City, UT 84102-2021

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Benefits Provided. URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 Years Any Age 25 Years Any Age* 20 Years Age 60* 10 Years Age 62* 4 Years Age 65	2.0% Per Year All Years	Up to 4%
Public Safety System	Highest 3 Years	20 Years Any Age 10 Years Age 60 4 Years Age 65	2.5% Per Year Up to 20 Years; 2.0% Per year Over 20 Years	Up to 2.5% or 4% Depending on the Employer
Firefighters System	Highest 3 Years	20 Years Any Age 10 Years Age 60 4 Years Age 65	2.5% Per Year Up to 20 Years; 2.0% Per Year Over 20 Years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 Years Any Age 20 Years Any Age 60* 10 Years Age 62* 4 Years Age 65	1.50% Per Year All Years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 Years Any Age 20 Years Any Age 60* 10 Years Age 62* 4 Years Age 65	1.50% Per Year All Years	Up to 2.5%

* Actuarial reductions are applied.

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute a certain percentage of salary and wages as authorized by statute and specified by the URS 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, 2020 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
11 – Local Government Division Tier 1	1.00%	5.00%	14.46%	N/A
111 – Local Government Division Tier 2	N/A	N/A	15.66%	1.03%
Noncontributory System				
15 – Local Government Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Noncontributory				
43 – Other Division A with 2.5% COLA	N/A	N/A	34.04%	N/A
Contributory				
122 – Tier 2 DB Hybrid Public Safety	N/A	N/A	23.13%	.70%
Firefighters Retirement System				
31 – Other Division A	N/A	15.05%	4.61%	N/A
132 – Tier 2 DB Hybrid Firefighters	N/A	N/A	11.38%	.70%
Tier 2 DC Only				
211 – Local Government	N/A	N/A	6.69%	10.00%
222 – Public Safety	N/A	N/A	11.83%	12.00%
232 – Firefighters	N/A	N/A	0.08%	12.00%

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,627,767	N/A
Public Safety System	807,189	-
Firefighters System	115,760	377,914
Tier 2 Public Employees System	578,775	-
Tier 2 Public Safety and Firefighter	474,866	-
Tier 2 DC Only System	52,603	N/A
Tier 2 DC Public Safety and Firefighter System	17,054	N/A
Total Contributions	\$ 3,674,014	\$ 377,914

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

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

At June 30, 2020, the City reported a net pension asset of \$942,398 and a net pension liability of \$6,976,912:

	(Measurement Date): December 31, 2019				
	Net Pension Asset	Net Pension Liability	Proportionate Share December 31, 2019	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	\$ -	\$ 3,965,131	1.0520746%	1.0347750%	0.0172996%
Contributory System	-	-	0%	0%	0%
Public Safety System	-	2,806,306	1.7478043%	1.6743433%	0.0734610%
Firefighters System	942,398	-	7.5987614%	7.6484656%	-0.0497042%
Tier 2 Public Employees System	-	57,576	0.2559968%	0.2596129%	-0.0036161%
Tier 2 Public Safety and Firefighter System	-	147,899	1.5723158%	1.7802629%	-0.2079471%
	<u>\$ 942,398</u>	<u>\$ 6,976,912</u>			

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The proportion of net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

For the year ended June 30, 2020, the combined City recognized a pension expense of \$4,379,024.

At June 30, 2020, the combined City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 652,910	\$ 268,471
Changes in assumptions	977,262	79,222
Net difference between projected and actual earnings on pension plan investments	-	3,661,259
Changes in proportion and differences between contributions and proportionate share of contributions	591,970	11,532
Contributions subsequent to the measurement date	1,827,372	-
	<u>\$ 4,049,514</u>	<u>\$ 4,020,484</u>

\$1,827,372 reported as deferred outflows of resources related to pensions results from contributions made by the combined city prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ (159,231)
2021	(672,699)
2022	224,928
2023	(1,313,686)
2024	25,283
Thereafter	97,063

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2020, the City recognized pension expense of \$2,908,886.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 360,676	\$ 56,956
Changes in assumptions	419,953	-
Net difference between projected and actual earnings on pension plan investments	-	2,005,202
Changes in proportion and differences between contributions and proportionate share of contributions	352,512	-
Contributions subsequent to the measurement date	803,663	-
	<u>\$ 1,936,804</u>	<u>\$ 2,062,158</u>

\$803,663 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ 131,874
2021	(368,330)
2022	69,780
2023	(762,342)
2024	-
Thereafter	-

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2020, the City recognized pension expense of \$1,325,460.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,806	\$ 59,922
Changes in assumptions	95,753	-
Net difference between projected and actual earnings on pension plan investments	-	958,262
Changes in proportion and differences between contributions and proportionate share of contributions	149,221	6,071
Contributions subsequent to the measurement date	401,961	-
	<u>\$ 695,741</u>	<u>\$ 1,024,255</u>

\$401,961 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ (160,922)
2021	(209,652)
2022	4,207
2023	(364,108)
2024	-
Thereafter	-

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2020, the City recognized pension expense of (\$614,923).

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,104	\$ 131,785
Changes in assumptions	401,844	76,232
Net difference between projected and actual earnings on pension plan investments	-	617,184
Changes in proportion and differences between contributions and proportionate share of contributions	25,612	130
Contributions subsequent to the measurement date	57,420	-
	<u>\$ 667,980</u>	<u>\$ 825,331</u>

\$57,420 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ (120,515)
2021	(86,539)
2022	145,959
2023	(167,117)
2024	13,376
Thereafter	63

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2020, the City recognized pension expense of \$323,682.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,107	\$ 19,760
Changes in assumptions	24,585	1,655
Net difference between projected and actual earnings on pension plan investments	-	44,258
Changes in proportion and differences between contributions and proportionate share of contributions	42,528	-
Contributions subsequent to the measurement date	315,312	-
	<u>\$ 398,532</u>	<u>\$ 65,673</u>

\$315,312 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ (6,150)
2021	(5,288)
2022	2,273
2023	(11,912)
2024	5,795
Thereafter	32,827

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2020, the City recognized pension expense of \$435,919.

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 44,217	\$ 48
Changes in assumptions	35,127	1,335
Net difference between projected and actual earnings on pension plan investments	-	36,353
Changes in proportion and differences between contributions and proportionate share of contributions	22,098	5,331
Contributions subsequent to the measurement date	249,015	-
	<u>\$ 350,457</u>	<u>\$ 43,067</u>

\$249,015 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2020	\$ (3,518)
2021	(2,891)
2022	2,709
2023	(8,207)
2024	6,112
Thereafter	64,172

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

Actuarial Assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.50 percent
- Salary Increases 3.25 – 9.75 percent, average, including inflation
- Investment Rate of Return 6.95 percent, net of pension plan investment expense, Including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

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 in the following table:

Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Long-Term Expected	
		Real Return Arithmetic Basis	Portfolio Real Rate of Return
Equity Securities	40.00%	6.15%	2.46%
Debt Securities	20.00%	0.40%	0.08%
Real Assets	15.00%	5.75%	0.86%
Private Equity	9.00%	9.95%	0.89%
Absolute Return	16.00%	2.85%	0.46%
Cash and Cash Equivalent	0.00%	0.00%	0.00%
Totals	100.00%		4.75%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.25%

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

The 6.95 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.45 percent that is net of investment expense.

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

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following table presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

System	1% Decrease or 5.95	Discount Rate of 6.95%	1% Increase or 7.95%
Noncontributory System	\$ 12,384,485	\$ 3,965,131	\$ (3,056,522)
Public Safety System	7,269,420	2,806,306	(820,835)
Firefighters System	1,927,219	(942,398)	(3,270,253)
Tier 2 Public Employees System	496,500	57,576	(281,632)
Tier 2 Public Safety and Firefighter System	522,470	147,899	(130,159)
Total	\$ 22,600,094	\$ 6,034,514	\$ (7,559,401)

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

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material effect on the City's financial statements.

In the normal course of operations, the City receives grant funds from various federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

The City's Redevelopment Agency (RDA) has entered into an agreement to reimburse eBay Inc., for 50% of point-of-sale revenues generated by taxable sales and municipal energy sales and use tax in the Project Area through tax year 2020. The City has entered into an agreement to reimburse the RDA for this amount. Additional information and notes are found in Note 15 on tax abatements. The company is required to submit written notice and supporting documentation to the City to be reimbursed, which they have not done since fiscal year 2015. It is estimated the City will owe approximately \$755,000 upon fulfillment of the agreement.

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NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Utah Risk Management Mutual Agency (URMMA), a public entity risk pool. The Agency is obligated to pay all claims covered by its plan. All claims are subject to a \$10,000 deductible. The deductible is accrued as a current liability when the claim is incurred. URMMA covers claims up to \$6,000,000. The City also purchases commercial insurance for risks or maintains the risk at the City level. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A deductible applies to these policies that the City pays in the event of any loss. The City also has a workers compensation policy. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

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NOTE 13 - REDEVELOPMENT AGENCY

The Redevelopment Agency of South Jordan City is established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2020, the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$15,449,355
Tax increment distributions	8,657,583
Outstanding loans to finance RDA projects	11,080,000
Amounts expended for installation of capital improvements, other public improvements, and housing donations	7,801
Amounts expended for administrative costs	347,459

Additional information or inquires can be obtained by writing to the below address:

City of South Jordan Redevelopment Agency
1600 West Towne Center Drive
South Jordan City, Utah 84095

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NOTE 14 - EQUITY IN JOINT VENTURE

Trans - Jordan Cities

The City of South Jordan joined a joint venture with several other municipalities to create the Trans-Jordan Cities Landfill (Trans-Jordan). Trans-Jordan was created for the purpose of operating and maintaining a landfill for the benefit of member municipalities. The City uses the equity method to account for its investment.

A. Ownership

In accordance with the Utah Interlocal Cooperation Act, which created Trans-Jordan, all assets revert to the participating cities upon dissolution. Participants' shares of these assets are based on each participating City's payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Members' participating interests are adjusted according to the above formula annually.

As of June 30, 2020, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees and Charges for Ten Preceding Years</u>	<u>Percent</u>
Draper City	\$ 2,391,711	10.27%
Midvale City	1,200,646	5.16%
Murray City	1,894,989	8.14%
Riverton City	2,544,368	10.93%
Sandy City	6,799,307	29.21%
South Jordan City	3,444,755	14.80%
West Jordan City	5,002,272	21.49%
	<u>\$ 23,278,048</u>	<u>100.00%</u>

B. Management

Trans-Jordan's Board of Directors governs the operations of Trans-Jordan through management employed by the Board. Since Trans-Jordan is subject to the same laws as the creating entities, it must follow state law for cities in the areas of fiscal management, budgeting, and financing.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2020

C. Financial Summary

	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	\$ 33,873,457	\$ 5,013,272
Total Deferred Outflows of Resources	306,567	45,372
Total Liabilities	4,815,352	712,672
Total Deferred Inflows of Resources	344,643	51,007
 Total Net Position	 <u>\$ 29,020,029</u>	 <u>\$ 4,294,964</u>
 Total Operating Revenues	 \$ 10,404,886	 \$ 1,539,923
Total Operating Expenses	8,950,559	1,324,683
Net Operating Income	1,454,327	215,240
Total Non-Operating Income (Expense)	863,812	127,844
Change in Net Position	<u>\$ 2,318,139</u>	<u>\$ 343,085</u>

D. Long-Term Liability

The joint venture has the following long-term liability:

	<u>Total Amount</u>	<u>South Jordan City's Share</u>
Closure and Post-Closure Liability	<u>\$ 3,549,568</u>	<u>\$ 525,336</u>

E. Address

Audited financial statements for Trans-Jordan Cities are available at the Trans-Jordan office:

Trans-Jordan Cities
10873 South 7200 West
South Jordan, UT 84095

NOTE 15 – TAX ABATEMENT AGREEMENTS

Utah State law (see Utah Code Ann. 17C-1-409) allows cities to abate taxes for a variety of economic development purposes. The City of South Jordan reports its Redevelopment Agency (RDA) as a blended component unit. The City of South Jordan RDA has authority to negotiate tax abatement agreements on an individual basis. As of June 30, 2020, the City's RDA manages eleven project areas and at times enters into agreements with developers that result in a GASB 77 disclosure requirement for tax abatements and forgone revenue. The City's RDA has tax abatement agreements with four participants where specific action, which contributes to economic development, must be taken by the entity receiving the abatement.

1) Riverton Chevrolet - To help entice the participant to move operations to the Project Area, the RDA has agreed to pay a portion of the City's sales tax to provide a financial incentive to Riverton Chevrolet to construct a new facility and begin operation within 18 months of the signed agreement. As part of the development agreement entered into on November 17, 2015, upon written notice the RDA shall pay 30 percent of the Point of Sale Tax (POST) generated by sales within the Project Area for no more than 10 years and ending after tax year 2030. In addition, the RDA agreed to pay all permit and building fees above \$100,000 owed by the company for building and constructing this new facility. The City will pay to the RDA a portion of the City's sales tax revenue generated within the Project Area. The incentive paid is limited to \$65,000 in a calendar year and is limited to no more than \$550,000 under the current agreement. The incentive payments started in 2017 and the amount paid in fiscal year 2020 is \$65,000. No building or permit fees were paid in fiscal year 2020.

2) Tim Dahle Imports, Inc. - To help entice the participant to move operations to the Project Area, the RDA has agreed to pay a portion of the City's sales tax to provide a financial incentive to Tim Dahle Imports, Inc. to construct a new facility and begin operation within 18 months of the signed agreement. As part of the development agreement entered into on November 21, 2014, upon written notice the RDA shall pay 30 percent of the Point of Sale Tax (POST) generated by sales within the Project Area for no more than 12 years and all permit and building fees above \$100,000 owed by the company for building and constructing this new facility. The City will pay to the RDA a portion of the City's sales tax revenue generated within the Project Area. The incentive paid is limited to \$60,000 in a calendar year and is limited to no more than \$500,000 under the current agreement. In fiscal year 2020, the amount paid is \$60,000. No building or permit fees were paid in fiscal year 2020.

3) eBay Inc. and Subsidiaries – To help entice and assist in the completion of constructing, opening, and operating a 250,000 square feet or larger data center within the Project Area, the RDA incentivized eBay Inc., by agreeing to pay to a portion of the City's sales tax and municipal energy sales and use tax revenues. In addition, the City will waive site plan approval, building permit fees and credit all impact fees for the Project Site. As part of the development agreement entered into on July 16, 2009, upon written notice the RDA will pay one-half of the City's point-of-sale sales tax revenues generated by taxable sales and energy sales made within the project site for the tax years 2009-2020. The City will pay to the RDA a portion of the City's sales tax revenue and municipal energy sales and use tax revenues generated within the Project Area. In fiscal year 2020, the RDA paid \$0 in sales tax and energy sales tax incentives and the City waived \$0 in site plans, building permits, and impact fees.

In addition, as part of the agreement entered on July 16, 2009, the RDA also agreed to pay eBay, Inc. 40.75% of Jordan School District's portion of tax increment and 92.5% of the remaining RDA available tax increment above the 2007 taxable amount within the Project Site for a period of 10 years beginning in tax year 2010. This amount is limited to the amounts available after other obligations, including infrastructure reimbursements and limitations agreed upon under interlocal agreements with Jordan School District, South Valley Sewer District, Salt Lake County, Jordan Valley Water Conservancy District and Central Utah Water Conservancy District. As part of this agreement, the RDA also agreed to pay 31.375% of the increment to Jordan School District as part of an interlocal agreement, which includes its portion of the tax increment (20.375%) which passed through the RDA. In fiscal year 2020, the RDA paid \$3,207,470.15 to eBay Inc.

4) Merit Medical Systems, Inc. - To help entice and assist the company expanding the existing Merit Medical Facility and construct several new facilities in phases, the RDA has agreed to pay Merit Medical a portion of its tax increment generated in the Project Area. In addition, Merit Medical agreed to a phased increase in employment with full build-out employment to employ at least 500 people in addition to the 200 already employed for at least 15 years. As part of the agreement entered into on March 29, 2007, the RDA has agreed to reimburse to Merit Medical 65% of eligible Project Area tax increment received by the RDA arising from Merit Medical construction of improvements within the Project Area. In fiscal year 2020, the amount paid is \$852,168.24.

Utah Code 5-1-403 prohibits the release of sales tax information specific to a particular entity. Therefore, no further detail can be provided regarding the sales tax abatement agreements listed above.

NOTE 16 – CHANGE IN RECREATION CENTER OPERATIONS

In April 1, 2020, the City entered into an agreement with Salt Lake County where the City intends to sell its Recreation Center building to Salt Lake County. The City cannot legally complete the sale of the property/building until its 2011 Municipal Building Authority Lease Revenue and Refunding Bond is completely paid off. During this period of time, operations of the Recreation Center will be turned over to Salt Lake County, but all assets will remain recorded as part of the City's financial statements. The City did pay \$150,000 to the County to transfer fund balance as part of this arrangement. In exchange, the sale will serve as payment of the City's share of the costs of a new park. During this timeframe, Salt Lake County will have complete control and be responsible for maintenance, services provided, pricing, and staffing. The City does have a right of refusal if the County decides to sell the Recreation Center Property.

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NOTE 17 – SUBSEQUENT EVENTS

On March 13, 2020, President Donald Trump declared that the ongoing Coronavirus Disease 2019 (COVID-19) pandemic was of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia. The City's Mayor signed a Declaration of Emergency on the evening of March 13, 2020. The economic and financial impact of the COVID-19 pandemic on the City is unknown.

On July 15, 2020, an agreement was finalized with Salt Lake County whereas Salt Lake County distributed federal CARES Act funds to the City for use for specific allowable expenditures. The City received \$2,190,460.46 as its initial disbursement, which was applied to expenditures incurred during fiscal year 2020. An additional \$2,190,460.46 in CARES Act funds were received on September 29, 2020, which is applied to expenditures that were incurred during fiscal year 2021.

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Required Supplementary Information

CITY OF SOUTH JORDAN
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Taxes				
Property Tax - Current	\$ 10,641,545	\$ 11,316,545	\$ 11,544,238	\$ 227,693
Property Tax - Delinquent	123,542	123,542	154,041	30,499
Motor Vehicle Tax	860,627	860,627	793,790	(66,837)
Sales and Use Tax	19,057,307	17,882,307	16,546,021	(1,336,286)
Penalties and Interest	10,000	10,000	24,090	14,090
Telecommunications Tax	703,301	703,301	556,572	(146,729)
Energy Sales and Use Tax	3,834,730	3,834,730	4,175,686	340,956
Cable TV Franchise Tax	464,733	464,733	456,299	(8,434)
Transient Room Tax	133,130	133,130	138,417	5,287
Local Transit/Highway Tax	-	-	1,449,820	1,449,820
Total Taxes	35,828,915	35,328,915	35,838,974	510,059
Licenses and Permits				
Building Permits	3,335,860	3,440,860	3,427,330	(13,530)
Business Licenses	162,073	162,073	186,571	24,498
Solid Waste License Fee	102,606	102,606	125,456	22,850
Miscellaneous	271,275	271,275	294,005	22,730
Total Licenses and Permits	3,871,814	3,976,814	4,033,362	56,548
Intergovernmental Revenues				
Federal Grants	77,935	106,020	2,331,970	2,225,950
State Grants	-	4,500	20,332	15,832
County Grants	-	-	29,500	29,500
Class "C" Road Allotment	2,758,706	2,758,706	2,767,497	8,791
Liquor Fund Allotment	56,000	56,000	65,084	9,084
Total Intergovernmental Revenues	2,892,641	2,925,226	5,214,383	2,289,157
Charges for Services				
Ambulance Fees	1,908,086	1,914,086	2,335,061	420,975
Engineering Fees	39,270	39,270	18,115	(21,155)
Plan Check Fees	2,709	2,709	5,124	2,415
Zoning and Subdivision Fees	752,934	752,934	668,430	(84,504)
Cemetery Fees	169,000	169,000	229,782	60,782
Program Fees	11,000	367,400	181,980	(185,420)
Other Services	3,297,813	3,397,773	3,382,766	(15,007)
Total Charges for Services	6,180,812	6,643,172	6,821,258	178,086
Fines and Forfeitures	564,374	564,374	454,674	(109,700)
Miscellaneous Revenue				
Investment Earnings	467,500	967,500	1,104,320	136,820
Sundry Revenue	357,500	493,612	759,649	266,037
Total Miscellaneous Revenue	825,000	1,461,112	1,863,969	402,857
Total Revenue	50,163,556	50,899,613	54,226,620	3,327,007

The notes to the required supplementary information are an integral part of this schedule.

(Continued)

CITY OF SOUTH JORDAN
General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
EXPENDITURES				
Current:				
General Government				
General Administration	\$ 1,828,827	\$ 1,694,827	\$ 1,393,600	\$ 301,227
City Commerce	299,212	308,212	282,459	25,753
City Recorder	450,658	474,658	278,986	195,672
Finance	2,435,547	2,462,959	2,371,485	91,474
Human Resources	602,785	629,523	583,608	45,915
Office of the City Attorney	1,213,774	1,233,774	1,088,981	144,793
Total General Government	6,830,803	6,803,953	5,999,119	804,834
Administrative Services				
Administration	1,259,189	1,402,669	1,330,333	72,336
Community Services	1,191,654	1,639,064	1,280,387	358,677
Facilities	1,398,497	1,452,627	1,440,961	11,666
Information Services	1,724,639	1,748,139	1,701,688	46,451
Justice Court	666,968	666,968	530,364	136,604
Parks	2,713,762	2,695,194	2,562,634	132,560
Risk Management	831,989	838,489	773,214	65,275
Total Administrative Services	9,786,698	10,443,150	9,619,581	823,569
Development Services				
Building	1,620,474	1,725,474	1,649,712	75,762
Engineering	2,381,121	2,447,762	2,359,122	88,640
Planning	827,272	827,272	784,568	42,704
Total Development Services	4,828,867	5,000,508	4,793,402	207,106
Public Works				
Administration	768,782	768,782	758,401	10,381
Cemetery	298,792	301,792	290,127	11,665
Fleet	1,109,526	1,110,526	1,104,794	5,732
Street Lighting	365,391	361,891	356,248	5,643
Streets	4,093,589	4,270,684	3,701,206	569,478
Total Public Works	6,636,080	6,813,675	6,210,776	602,899
Public Safety				
Fire	9,244,172	7,960,782	7,823,073	137,709
Police & Animal Control	9,249,516	9,568,844	8,453,318	1,115,526
Total Public Safety	18,493,688	17,529,626	16,276,391	1,253,235
Capital Outlay	411,600	413,818	411,627	2,191
Total Expenditures	46,987,736	47,004,730	43,310,896	3,693,834
Excess (Deficiency) of Revenues Over Expenditures	3,175,820	3,894,883	10,915,724	7,020,841
OTHER FINANCING SOURCES (USES)				
Transfers In	8,818	47,968	47,968	-
Transfers Out	(3,184,638)	(4,983,304)	(7,477,839)	(2,494,535)
Sale of Capital Assets	-	-	66,512	66,512
Total Other Financing Sources (Uses)	(3,175,820)	(4,935,336)	(7,363,359)	(2,428,023)
Net Change in Fund Balance	-	(1,040,453)	3,552,365	4,592,818
Fund Balance - July 1	10,745,112	10,745,112	10,745,112	-
Fund Balance - June 30	\$ 10,745,112	\$ 9,704,659	\$ 14,297,477	\$ 4,592,818

The notes to the required supplementary information are an integral part of this schedule.

Redevelopment Agency Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Taxes	\$ 11,905,000	\$ 11,905,000	\$ 15,449,356	\$ 3,544,356
Interest	-	-	457,232	457,232
Miscellaneous	-	-	-	-
Total Revenues	<u>11,905,000</u>	<u>11,905,000</u>	<u>15,906,588</u>	<u>4,001,588</u>
EXPENDITURES				
General Government	529,348	529,348	347,459	181,889
Capital Outlay and Projects	1,200,000	1,080,000	7,801	1,072,199
Tax Increment Distributions	7,525,000	7,525,000	8,657,583	(1,132,583)
Housing Assistance	-	2,400,000	-	2,400,000
Debt Service				
Principal Retirement	1,049,000	1,049,000	1,049,000	-
Interest and Fees	48,104	48,104	48,104	-
Total Expenditures	<u>10,351,452</u>	<u>12,631,452</u>	<u>10,109,947</u>	<u>2,521,505</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,553,548</u>	<u>(726,452)</u>	<u>5,796,641</u>	<u>6,523,093</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,828,876)	(3,003,857)	(3,003,857)	-
Total Other Financing Sources (Uses)	<u>(2,828,876)</u>	<u>(3,003,857)</u>	<u>(3,003,857)</u>	<u>-</u>
Net Change in Fund Balance	(1,275,328)	(3,730,309)	2,792,784	6,523,093
Fund Balance - July 1	18,441,113	18,441,113	18,441,113	-
Fund Balance - June 30	<u>\$ 17,165,785</u>	<u>\$ 14,710,804</u>	<u>\$ 21,233,897</u>	<u>\$ 6,523,093</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability

June 30, 2020

Last 10 Fiscal Years*

	Year Ended 12/31	Noncontributory Retirement System	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Proportion of the net pension liability (asset)	2014	N/A	15.9106976%	1.5301206%	9.0584805%	0.2047770%	1.0058044%
	2015	0.4305872%	11.1214144%	1.5826797%	8.7521498%	0.2390321%	1.0052886%
	2016	0.9541323%	0.2254320%	1.6078971%	8.5699580%	0.2334395%	1.4288409%
	2017	0.9922930%	0.0410220%	1.5724336%	8.4505314%	0.2454196%	1.7373905%
	2018	1.0347750%	0.0000000%	1.6743433%	7.6484656%	0.2596129%	1.7802629%
	2019	1.0520746%	0.0000000%	1.7480430%	7.5987614%	0.2559968%	1.5723158%
Proportionate share of the net pension liability (asset)	2014	N/A	\$ 4,589,338	\$ 1,924,254	\$ (516,912)	\$ (6,206)	\$ (14,879)
	2015	2,436,472	7,816,735	2,834,977	(158,519)	(522)	(14,688)
	2016	6,126,697	73,967	3,262,813	(67,561)	26,040	(12,403)
	2017	4,347,533	3,336	2,466,611	(527,780)	21,638	(20,103)
	2018	7,619,797	-	4,307,391	993,132	111,187	44,606
	2019	3,965,131	-	2,806,306	(942,398)	57,576	147,899
Covered payroll	2014	N/A	\$ 8,124,954	\$ 2,366,985	\$ 2,527,510	\$ 1,005,005	\$ 415,986
	2015	350,573	4,495,013	2,403,017	2,509,070	1,544,324	598,369
	2016	7,964,173	346,156	2,369,160	2,524,144	1,914,382	1,180,548
	2017	8,158,392	193,363	2,244,157	2,537,667	2,399,675	1,833,435
	2018	8,520,578	176,055	2,284,982	2,463,496	3,033,668	2,380,459
	2019	8,749,789	186,643	2,370,215	2,571,107	3,557,764	2,591,748
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2014	N/A	56.50%	81.30%	-20.50%	-0.60%	-3.60%
	2015	69.58%	173.90%	117.98%	-6.32%	-0.03%	-2.45%
	2016	76.93%	21.37%	137.72%	-2.68%	1.36%	-1.05%
	2017	53.29%	1.73%	109.91%	-20.80%	0.90%	-1.10%
	2018	89.43%	0.00%	188.51%	40.31%	3.67%	1.87%
	2019	45.32%	0.00%	118.40%	-36.65%	1.62%	5.71%
Plan fiduciary net position as a percentage of the total pension liability (asset)	2014	N/A	94.00%	90.50%	103.50%	103.50%	120.50%
	2015	87.80%	85.70%	87.10%	101.00%	100.20%	110.70%
	2016	87.30%	92.90%	86.50%	100.40%	95.10%	103.60%
	2017	91.90%	98.20%	90.20%	103.00%	97.40%	103.00%
	2018	87.00%	0.00%	84.70%	94.30%	90.80%	95.60%
	2019	93.70%	0.00%	90.90%	105.00%	96.50%	89.60%

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

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of Contributions - Utah Retirement Systems

June 30, 2020

Last 10 Fiscal Years*

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Employee Payroll
Noncontributory System	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	1,349,864	1,349,864	-	7,322,154	18.44%
	2017	1,447,911	1,447,911	-	7,842,666	18.46%
	2018	1,592,939	1,592,939	-	8,631,746	18.45%
	2019	1,597,253	1,597,253	-	8,650,388	18.46%
	2020	1,627,767	1,627,767	-	8,816,414	18.46%
Contributory System	2014	1,039,484	1,039,484	-	8,174,931	12.72%
	2015	1,124,360	1,124,360	-	8,057,798	13.95%
	2016	60,041	60,041	-	694,295	8.65%
	2017	3,559	3,559	-	233,903	1.52%
	2018	-	-	-	-	0.00%
	2019	-	-	-	-	0.00%
	2020	-	-	-	-	0.00%
Public Safety System	2014	720,334	720,334	-	2,420,046	29.77%
	2015	749,038	749,038	-	2,366,556	31.65%
	2016	768,271	768,271	-	2,382,640	32.24%
	2017	718,108	718,108	-	2,209,839	32.50%
	2018	774,466	774,466	-	2,364,026	32.76%
	2019	752,012	752,012	-	2,296,594	32.74%
	2020	807,189	807,189	-	2,461,313	32.80%
Firefighters System	2014	70,186	70,186	-	2,518,678	2.79%
	2015	91,460	91,460	-	2,546,689	3.59%
	2016	92,188	92,188	-	2,465,534	3.74%
	2017	93,514	93,514	-	2,473,256	3.78%
	2018	98,712	98,712	-	2,581,017	3.82%
	2019	108,893	108,893	-	2,485,818	4.38%
	2020	115,760	115,760	-	2,652,323	4.36%
Tier 2 Public Employees System**	2014	133,005	133,005	-	844,478	15.75%
	2015	212,074	212,074	-	1,269,900	16.70%
	2016	260,805	260,805	-	1,742,556	14.97%
	2017	304,698	304,698	-	2,043,586	14.91%
	2018	433,170	433,170	-	2,866,749	15.11%
	2019	504,781	504,781	-	3,248,260	15.54%
	2020	578,775	578,775	-	3,695,885	15.66%
Tier 2 Public Safety and Firefighter System**	2014	52,909	52,909	-	316,714	16.71%
	2015	86,204	86,204	-	476,510	18.09%
	2016	141,816	141,816	-	799,358	17.70%
	2017	248,753	248,753	-	1,524,448	16.32%
	2018	354,986	354,986	-	2,147,268	16.53%
	2019	454,102	454,102	-	2,573,867	17.64%
	2020	474,866	474,866	-	2,668,720	17.79%
Tier 2 Public Employees DC Only System**	2014	13,472	13,472	-	183,545	7.34%
	2015	20,519	20,519	-	242,289	8.47%
	2016	25,377	25,377	-	376,462	6.74%
	2017	33,841	33,841	-	505,851	6.69%
	2018	38,183	38,183	-	571,342	6.68%
	2019	39,671	39,671	-	592,989	6.69%
	2020	52,603	52,603	-	786,292	6.69%
Tier 2 Public Safety and Firefighter DC Only System**	2014	2,736	2,736	-	27,520	9.94%
	2015	17	17	-	147	11.83%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	43	43	-	53,488	0.08%
	2019	7,557	7,557	-	213,596	3.54%
	2020	17,054	17,054	-	333,107	5.12%

* In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

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

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN
Notes to Required Supplementary Information
For the Year Ended June 30, 2020

1. **BUDGETARY INFORMATION**

Budgets for the General Fund and the redevelopment agency are adopted and presented on a basis consistent with Generally Accepted Accounting Principles (GAAP).

2. **DEFINED CONTRIBUTION SYSTEM**

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

The City of South Jordan participates in the following Defined Contribution Savings Plans with Utah Retirement Systems: 401(k), 457(b), Roth IRA Plan, and Traditional IRA Plan.

A summary of the contributions made for fiscal year ended June 30, 2020, are as follows:

	2020		2019		2018	
401(k) Plan						
Employer Contributions	\$	878,490	\$	789,602	\$	504,755
Employee Contributions	\$	806,159	\$	743,479	\$	629,588
457 Plan						
Employer Contributions	\$	353,666	\$	346,741	\$	143,444
Employee Contributions	\$	447,276	\$	420,999	\$	355,168
Roth IRA Plan						
Employer Contributions		N/A		N/A		N/A
Employee Contributions	\$	94,963	\$	70,325	\$	64,834
Traditional IRA						
Employer Contributions		N/A		N/A		N/A
Employee Contributions	\$	12,690	\$	3,405	\$	3,260

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) plan.

CITY OF SOUTH JORDAN

Notes to Required Supplementary Information

For the Year Ended June 30, 2020

3. CHANGE IN ASSUMPTIONS

As a result of the passage of SB129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighters Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.



Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

- 1) **Storm Drain Fund** – This fund is used to track revenue from a monthly fee paid by City residents for the maintenance of the City’s storm drain system.
- 2) **CDBG Fund** – This fund is used to account for the revenues received by the City from the U.S. Department of Housing and Urban Development (HUD) as a grantee in the Community Development Block Grant (CDBG) program.
- 3) **Fitness Center Fund** – This fund is used to account for fees charged to users and expenditures dealing with operation and maintenance of the City’s fitness center.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources and payment of bond principal and interest. The Municipal Building Authority (MBA) Fund is presented as a debt service fund.

- 1) **Municipal Building Authority (MBA) Fund** – This fund is used to account for the construction of the City’s capital facilities and related debt service expenditures.



CITY OF SOUTH JORDAN**Combining Balance Sheet**

Nonmajor Governmental Funds

June 30, 2020

	Special Revenue				
	Storm Drain	Community Development Building Grant	Fitness Center	Municipal Building Authority	Total
ASSETS					
Cash, Cash Equivalents, and Investments	\$ 2,605,933	\$ -	\$ 1,155,931	\$ 339,425	\$ 4,101,289
Restricted Cash	-	-	-	30	30
Receivables					
Accounts	281,290	-	250	-	281,540
Due From Other Funds	-	-	8,002	-	8,002
Intergovernmental Receivables	-	12,437	-	-	12,437
Inventories	-	-	-	-	-
Total Assets	<u>\$ 2,887,223</u>	<u>\$ 12,437</u>	<u>\$ 1,164,183</u>	<u>\$ 339,455</u>	<u>\$ 4,403,298</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	73,028	4,435	901	-	78,364
Due to Other Funds	-	8,002	-	-	8,002
Total Liabilities	<u>73,028</u>	<u>12,437</u>	<u>901</u>	<u>-</u>	<u>86,366</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	30	30
Committed	-	-	-	-	-
Assigned	2,814,195	-	1,163,282	339,425	4,316,902
Total Fund Balances	<u>2,814,195</u>	<u>-</u>	<u>1,163,282</u>	<u>339,455</u>	<u>4,316,932</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,887,223</u>	<u>\$ 12,437</u>	<u>\$ 1,164,183</u>	<u>\$ 339,455</u>	<u>\$ 4,403,298</u>

CITY OF SOUTH JORDAN
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue				
	Storm Drain	Community Development Building Grant	Fitness Center	Municipal Building Authority	Total
REVENUES					
Intergovernmental	\$ -	\$ 353,474	\$ -	\$ -	\$ 353,474
Charges for Services	2,480,738	-	883,997	-	3,364,735
Interest	50,273	-	-	1,549	51,822
Miscellaneous	6,561	-	-	-	6,561
Total Revenues	<u>2,537,572</u>	<u>353,474</u>	<u>883,997</u>	<u>1,549</u>	<u>3,776,592</u>
EXPENDITURES					
Current					
General Government	-	110,684	-	-	110,684
Development Services	-	98,875	-	-	98,875
Public Works	1,540,208	-	-	-	1,540,208
Recreation	-	-	1,161,265	-	1,161,265
Debt Service					
Principal	-	-	-	625,000	625,000
Interest and Fees	-	-	-	98,163	98,163
Capital Outlay and Projects	31,340	143,915	-	-	175,255
Total Expenditures	<u>1,571,548</u>	<u>353,474</u>	<u>1,161,265</u>	<u>723,163</u>	<u>3,809,450</u>
Excess (Deficiency) of Revenues over Expenditures	<u>966,024</u>	<u>-</u>	<u>(277,268)</u>	<u>(721,614)</u>	<u>(32,858)</u>
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	-	-	-	-	-
Transfers In	-	-	-	721,513	721,513
Transfers Out	(1,435,441)	-	(949)	-	(1,436,390)
Total Other Financing Sources (Uses)	<u>(1,435,441)</u>	<u>-</u>	<u>(949)</u>	<u>721,513</u>	<u>(714,877)</u>
Net Change in Fund Balances	(469,417)	-	(278,217)	(101)	(747,735)
Fund Balances - Beginning	3,283,612	-	1,441,499	339,556	5,064,667
Fund Balances - Ending	<u>\$ 2,814,195</u>	<u>\$ -</u>	<u>\$ 1,163,282</u>	<u>\$ 339,455</u>	<u>\$ 4,316,932</u>

CITY OF SOUTH JORDAN**Capital Projects Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 994,546	\$ 994,546
Interest	150,850	150,850	413,692	262,842
Impact Fees	1,895,000	1,900,420	2,172,757	272,337
Miscellaneous	-	1,420,904	1,308,870	(112,034)
Total Revenues	2,045,850	3,472,174	4,889,865	1,417,691
EXPENDITURES				
Capital Outlay				
Road and Bridge	1,868,000	7,916,078	2,852,926	5,063,152
Parks	3,340,000	10,242,697	6,627,362	3,615,335
Storm Drain	250,000	3,466,451	1,488,002	1,978,449
Facilities	1,104,500	15,623,390	8,214,606	7,408,784
Other Projects	629,000	5,004,449	1,732,843	3,271,606
Developer Reimbursement	-	127,765	192,613	(64,848)
Bond Issuance Costs	-	201,464	201,464	-
Total Expenditures	7,191,500	42,582,294	21,309,816	21,272,478
Excess (Deficiency) of Revenues Over Expenditures	(5,145,650)	(39,110,120)	(16,419,951)	22,690,169
OTHER FINANCING SOURCES (USES)				
Issuance of Long Term Debt	-	15,130,000	15,130,000	-
Bond Premium	-	2,745,045	2,745,045	-
Sale of Capital Assets	-	-	979,532	979,532
Transfers In	2,612,500	5,531,166	8,025,701	2,494,535
Transfers Out	(509,651)	(5,520,696)	(5,520,696)	-
Total Other Financing Sources (Uses)	2,102,849	17,885,515	21,359,582	3,474,067
Net Change in Fund Balance	(3,042,801)	(21,224,605)	4,939,631	26,164,236
Fund Balance - July 1	42,573,777	42,573,777	42,573,777	-
Fund Balance - June 30	\$ 39,530,976	\$ 21,349,172	\$ 47,513,408	\$ 26,164,236

CITY OF SOUTH JORDAN**Debt Service Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Special Assessments	\$ 2,153,675	\$ 2,153,675	\$ 2,991,348	\$ 837,673
Interest	8,250	8,250	785,871	777,621
Total Revenues	2,161,925	2,161,925	3,777,219	1,615,294
EXPENDITURES				
General Government	-	-	-	-
Debt Service				
Principal	3,454,964	8,473,226	8,180,000	293,226
Interest and Fees	2,583,575	2,903,070	2,863,411	39,659
Total Expenditures	6,038,539	11,376,296	11,043,411	332,885
Deficiency of Revenues Over Expenditures	(3,876,614)	(9,214,371)	(7,266,192)	1,948,179
OTHER FINANCING SOURCES				
Transfers In	7,287,659	7,287,659	7,287,659	-
Transfers Out	-	(39,150)	(39,150)	-
Total Other Financing Sources	7,287,659	7,248,509	7,248,509	-
Net Change in Fund Balance	3,411,045	(1,965,862)	(17,683)	1,948,179
Fund Balance - July 1	4,433,971	4,433,971	4,433,971	-
Fund Balance - June 30	\$ 7,845,016	\$ 2,468,109	\$ 4,416,288	\$ 1,948,179

CITY OF SOUTH JORDAN**Storm Drain Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Charges for Services	\$ 2,119,500	\$ 2,119,500	\$ 2,480,738	\$ 361,238
Interest	36,000	36,000	50,273	14,273
Miscellaneous	750	2,990	6,561	3,571
Total Revenues	<u>2,156,250</u>	<u>2,158,490</u>	<u>2,537,572</u>	<u>379,082</u>
EXPENDITURES				
Public Works	1,616,277	1,632,257	1,540,208	92,049
Capital Outlay	70,000	86,102	31,340	54,762
Total Expenditures	<u>1,686,277</u>	<u>1,718,359</u>	<u>1,571,548</u>	<u>146,811</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>469,973</u>	<u>440,131</u>	<u>966,024</u>	<u>525,893</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Operating Transfers In	-	-	-	-
Transfers Out	(440,441)	(1,435,441)	(1,435,441)	-
Total Other Financing Sources (Uses)	<u>(440,441)</u>	<u>(1,435,441)</u>	<u>(1,435,441)</u>	<u>-</u>
Net Change in Fund Balance	29,532	(995,310)	(469,417)	525,893
Fund Balance - July 1	3,283,612	3,283,612	3,283,612	-
Fund Balance - June 30	<u>\$ 3,313,144</u>	<u>\$ 2,288,302</u>	<u>\$ 2,814,195</u>	<u>\$ 525,893</u>

CITY OF SOUTH JORDAN**Community Development Block Grant Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Intergovernmental	\$ 228,033	\$ 599,968	\$ 353,474	\$ (246,494)
Total Revenues	<u>228,033</u>	<u>599,968</u>	<u>353,474</u>	<u>(246,494)</u>
EXPENDITURES				
Development Services	78,000	149,123	98,875	50,248
Business Grants	-	110,684	110,684	-
Capital Outlay	150,033	340,161	143,915	196,246
Total Expenditures	<u>228,033</u>	<u>599,968</u>	<u>353,474</u>	<u>246,494</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH JORDAN**Fitness Center Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Charges for Services	\$ 1,739,500	\$ 1,304,100	\$ 883,997	\$ (420,103)
Total Revenues	<u>1,739,500</u>	<u>1,304,100</u>	<u>883,997</u>	<u>(420,103)</u>
EXPENDITURES				
Recreation	1,845,796	1,440,103	1,161,265	278,838
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,845,796</u>	<u>1,440,103</u>	<u>1,161,265</u>	<u>278,838</u>
Excess of Revenues Over Expenditures	<u>(106,296)</u>	<u>(136,003)</u>	<u>(277,268)</u>	<u>(141,265)</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(949)	(949)	(949)	-
Total Other Financing Sources (Uses)	<u>(949)</u>	<u>(949)</u>	<u>(949)</u>	<u>-</u>
Net Change in Fund Balance	(107,245)	(136,952)	(278,217)	(141,265)
Fund Balance - July 1	<u>1,441,499</u>	<u>1,441,499</u>	<u>1,441,499</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,334,254</u>	<u>\$ 1,304,547</u>	<u>\$ 1,163,282</u>	<u>\$ (141,265)</u>

CITY OF SOUTH JORDAN**Municipal Building Authority Fund**

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Interest	\$ 1,750	\$ 1,750	\$ 1,549	\$ (201)
Total Revenues	1,750	1,750	1,549	(201)
EXPENDITURES				
Debt Service				
Principal	625,000	625,000	625,000	-
Interest and Fees	98,263	98,263	98,163	100
Total Expenditures	723,263	723,263	723,163	100
Excess of Revenues Over Expenditures	(721,513)	(721,513)	(721,614)	(101)
OTHER FINANCING SOURCES				
Transfers In	721,513	721,513	721,513	-
Total Other Financing Sources	721,513	721,513	721,513	-
Net Change in Fund Balance	-	-	(101)	(101)
Fund Balance - July 1	339,556	339,556	339,556	-
Fund Balance - June 30	\$ 339,556	\$ 339,556	\$ 339,455	\$ (101)

NONMAJOR PROPRIETARY FUNDS

Mulligans Fund

The Mulligans Fund is used to account for the operations of Mulligans Golf & Games. This City recreation facility includes golf, miniature golf, a driving range, food service, and batting cages.

Sanitation Fund

The Sanitation Fund is used to account for the activities of the City's sanitation operations.



CITY OF SOUTH JORDAN
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2020

	Mulligans Fund	Sanitation Fund	Total
ASSETS			
Current Assets			
Cash, Cash Equivalents, and Investments	\$ 948,191	\$ 4,860,550	\$ 5,808,741
Accounts Receivable Net of Allowance	-	484,476	484,476
Inventories	15,633	-	15,633
Total Current Assets	963,824	5,345,026	6,308,850
Noncurrent Assets			
Net Pension Asset	-	-	-
Investment in Landfill	-	4,294,964	4,294,964
Capital Assets			
Land	9,956,618	-	9,956,618
Buildings and Structures	699,799	-	699,799
Improvements - Other than Buildings	1,066,473	-	1,066,473
Machinery and Equipment	413,555	1,236,886	1,650,441
Construction in Progress	55,188	-	55,188
Less Accumulated Depreciation	(1,138,295)	(1,034,328)	(2,172,623)
Capital Assets (Net of Accum Depreciation)	11,053,338	202,558	11,255,896
Total Noncurrent Assets	11,053,338	4,497,522	15,550,860
Total Assets	12,017,162	9,842,548	21,859,710
DEFERRED OUTFLOWS OF RESOURCES			
Resources Related to Pensions	28,564	22,664	51,228
LIABILITIES			
Current Liabilities			
Accounts Payable	75,798	278,212	354,010
Accrued Liabilities	67,238	12,085	79,323
Compensated Absences	17,919	17,315	35,234
Interfund Payable	-	-	-
Total Current Liabilities	160,955	307,612	468,567
Noncurrent Liabilities			
Compensated Absences	4,861	4,788	9,649
Net Pension Liability	46,301	21,189	67,490
Total Noncurrent Liabilities	51,162	25,977	77,139
Total Liabilities	212,117	333,589	545,706
DEFERRED INFLOWS OF RESOURCES			
Resources Related to Pensions	39,295	22,911	62,206
NET POSITION			
Net Investment in Capital Assets	11,047,207	202,558	11,249,765
Unrestricted	747,107	9,306,154	10,053,261
Total Net Position	\$ 11,794,314	\$ 9,508,712	\$ 21,303,026

CITY OF SOUTH JORDAN**Combining Statement of Revenues, Expenses, and Changes in Net Position**

Nonmajor Proprietary Funds

For the Year Ended June 30, 2020

	Mulligans Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for Services			
Operations	\$ 1,364,468	\$ 4,154,563	\$ 5,519,031
Miscellaneous	15	56,821	56,836
Total Operating Revenues	<u>1,364,483</u>	<u>4,211,384</u>	<u>5,575,867</u>
OPERATING EXPENSES			
Costs of Services	973,754	3,445,284	4,419,038
General and Administrative	12,985	471,382	484,367
Depreciation	74,279	58,124	132,403
Total Operating Expenses	<u>1,061,018</u>	<u>3,974,790</u>	<u>5,035,808</u>
Operating Income	<u>303,465</u>	<u>236,594</u>	<u>540,059</u>
NON-OPERATING REVENUES (EXPENSES)			
Increase in Joint Venture	-	447,222	447,222
Interest	15,690	93,085	108,775
Gain (Loss) on Sale of Capital Assets	-	-	-
Total Non-Operating Revenue (Expenses)	<u>15,690</u>	<u>540,307</u>	<u>555,997</u>
Income Before Contributions and Transfers	<u>319,155</u>	<u>776,901</u>	<u>1,096,056</u>
CONTRIBUTIONS AND TRANSFERS			
Transfers In	-	-	-
Transfers Out	(469)	(187,772)	(188,241)
Total Contributions and Transfers	<u>(469)</u>	<u>(187,772)</u>	<u>(188,241)</u>
Change in Net Position	<u>318,686</u>	<u>589,129</u>	<u>907,815</u>
Net Position - Beginning	<u>11,475,628</u>	<u>8,919,583</u>	<u>20,395,211</u>
Net Position - Ending	<u>\$ 11,794,314</u>	<u>\$ 9,508,712</u>	<u>\$ 21,303,026</u>

CITY OF SOUTH JORDAN
Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For The Year Ended June 30, 2020

	Mulligans	Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,367,442	\$ 4,182,932	\$ 5,550,374
Payments to Suppliers	(558,926)	(3,116,302)	(3,675,228)
Interfund Services	(28,194)	(471,382)	(499,576)
Payments to Employees	(564,998)	(316,445)	(881,443)
Net Cash Provided by Operating Activities	215,324	278,803	494,127
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers In	-	-	-
Transfers Out	(469)	(187,772)	(188,241)
Net Cash Used by Noncapital Financing Activities	(469)	(187,772)	(188,241)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	(78,707)	(8,938)	(87,645)
Principal Paid on Capital Debt	-	-	-
Interest Paid on Capital Debt	-	-	-
Proceeds From Sale of Capital Assets	-	-	-
Net Cash Used by Capital and Related Financing Activities	(78,707)	(8,938)	(87,645)
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	15,690	93,085	108,775
Net Increase (Decrease) in Cash and Cash Equivalents	151,838	175,178	327,016
Cash and Cash Equivalents - Beginning of Year	796,353	4,685,372	5,481,725
Cash and Cash Equivalents - End of Year	\$ 948,191	\$ 4,860,550	\$ 5,808,741
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 303,465	\$ 236,594	\$ 540,059
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	74,279	58,124	132,403
(Increase) Decrease in Receivables	-	(28,144)	(28,144)
(Increase) Decrease in Inventory	4,098	-	4,098
(Increase) Decrease in Net Pension Asset	-	-	-
(Increase) Decrease in Deferred Outflows Related to Pensions	(17,994)	(14,425)	(32,419)
Increase (Decrease) in Accounts Payable	(106,659)	29,798	(76,861)
Increase (Decrease) in Accrued Liabilities	(21,072)	4,373	(16,699)
Increase (Decrease) in Accrued Vacation and Sick Leave	2,034	9,182	11,216
Increase (Decrease) in Net Pension Liability	(43,236)	(31,628)	(74,864)
Increase (Decrease) in Deferred Inflows Related to Pensions	20,409	14,929	35,338
Total Adjustments	(88,141)	42,209	(45,932)
Noncash Investing, Capital, and Financing Activities:			
Increase in Equity Investment in Trans-Jordan Landfill	\$ -	\$ 447,222	\$ 447,222

FIDUCIARY FUNDS

MFTC Fund

This fund is used to account for the activities of the Metro Fire Testing Consortium (MFTC), which was created to enhance efficiencies between member agencies and applicants for the positions of entry-level firefighter EMT, AEMT, firefighter paramedic, and paramedic.



CITY OF SOUTH JORDAN**Statement of Changes in Assets and Liabilities**

Metro Fire Testing Consortium (MFTC) Fund

For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS				
Cash, Cash Equivalents, and Investments	\$ 15,448	\$ 314	\$ -	\$ 15,762
Total Assets	<u>\$ 15,448</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 15,762</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	-	-	-	-
Due to Other Governments	15,448	314	-	15,762
Total Liabilities	<u>\$ 15,448</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 15,762</u>



Statistical Information

STATISTICAL SECTION

This part of the City of South Jordan’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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

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REVENUE CAPACITY – These schedules contain information to help the reader assess the City’s most significant local revenue sources: property tax, sales tax, and water revenue.

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

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Direct and Overlapping Governmental Activities Debt	147
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DEMOGRAPHIC AND ECONOMIC DEVELOPMENT INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

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Full-time Equivalent City Government Employees by Function/Program	153

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

Capital Asset Statistics by Function/Program	154
Operating Indicators by Function/Program	155

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SOUTH JORDAN

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 184,928,098	\$ 190,401,077	\$ 190,745,605	\$ 199,575,459	\$ 213,258,424	\$ 219,697,662	\$ 167,503,336	\$ 206,655,775	\$ 198,845,888	\$ 242,993,458
Restricted	5,778,082	6,487,565	9,320,159	10,501,361	11,103,967	59,790,195	14,205,726	38,025,721	15,570,592	18,313,932
Unrestricted	23,561,253	28,107,792	36,671,797	42,742,779	42,934,056	32,408,953	117,927,102	62,397,209	85,023,070	90,746,447
Total Governmental Activities Net Position	<u>214,267,433</u>	<u>224,996,434</u>	<u>236,737,561</u>	<u>252,819,599</u>	<u>267,296,447</u>	<u>311,896,810</u>	<u>299,636,164</u>	<u>307,078,705</u>	<u>299,439,550</u>	<u>352,053,837</u>
Business-type Activities										
Net Investment in Capital Assets	81,720,057	82,158,412	83,077,861	87,328,878	94,420,764	97,282,722	102,908,992	107,291,106	117,353,246	130,438,039
Restricted	5,357,073	4,686,192	7,805,966	9,167,118	8,424,148	8,688,869	8,327,019	8,078,321	5,995,575	4,348,109
Unrestricted	15,034,338	17,883,852	19,607,470	19,119,412	19,649,500	25,024,836	31,892,731	35,117,156	39,063,446	43,681,153
Total Business-type Activities Net Position	<u>102,111,468</u>	<u>104,728,456</u>	<u>110,491,297</u>	<u>115,615,408</u>	<u>122,494,412</u>	<u>130,996,427</u>	<u>143,128,742</u>	<u>150,486,583</u>	<u>162,412,267</u>	<u>178,467,301</u>
Primary Government										
Net Investment in Capital Assets	266,648,155	272,559,489	273,823,466	286,904,337	307,679,188	316,980,384	270,412,328	313,946,881	316,199,134	373,431,497
Restricted	11,135,155	11,173,757	17,126,125	19,668,479	19,528,115	68,479,064	22,532,745	46,104,042	21,566,167	22,662,041
Unrestricted	38,595,591	45,991,644	56,279,267	61,862,191	62,583,556	57,433,789	149,819,833	97,514,365	124,086,516	134,427,600
Total Primary Government Net Position	<u>\$ 316,378,901</u>	<u>\$ 329,724,890</u>	<u>\$ 347,228,858</u>	<u>\$ 368,435,007</u>	<u>\$ 389,790,859</u>	<u>\$ 442,893,237</u>	<u>\$ 442,764,906</u>	<u>\$ 457,565,288</u>	<u>\$ 461,851,817</u>	<u>\$ 530,521,138</u>

CITY OF SOUTH JORDAN
Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 12,109,691	\$ 15,502,901	\$ 17,389,131	\$ 16,608,707	\$ 18,395,535	\$ 20,291,415	\$ 44,494,650	\$ 26,118,851	\$ 26,584,589	\$ 17,432,244
Administrative Services	-	-	-	-	-	-	-	-	10,018,151	10,888,967
Community Services	-	-	-	-	1,263,211	1,308,157	1,104,739	1,160,626	-	-
Development Services	2,995,757	3,137,078	3,291,558	3,517,200	3,626,463	3,979,425	3,394,698	4,318,675	4,875,349	5,456,960
Public Works	10,556,329	10,680,313	10,800,864	10,908,608	14,564,901	16,297,364	15,974,955	18,322,736	16,507,982	15,882,104
Recreation	-	-	-	-	2,146,638	2,236,178	2,010,135	2,117,615	2,333,818	1,649,535
Public Safety	10,247,065	10,593,261	10,592,624	10,878,736	11,515,459	12,857,799	11,069,346	14,373,525	17,483,131	18,867,633
Parks, Recreation, and Culture	3,004,123	3,194,554	4,432,215	4,514,140	-	-	-	-	-	-
Interest on Long-term Debt	1,792,390	1,599,655	1,446,215	1,343,194	1,250,915	1,542,672	2,479,864	2,929,191	2,612,474	2,767,426
Total Governmental Activities Expenses	40,705,355	44,707,762	47,952,607	47,770,585	52,763,122	58,513,010	80,528,387	69,341,219	80,415,494	72,944,869
Business-type Activities										
Water	13,218,308	14,600,787	14,665,809	15,080,336	15,267,223	16,374,117	18,751,004	17,569,181	17,150,610	19,256,677
Sanitation	2,255,978	2,753,324	2,737,800	2,798,131	2,602,360	2,816,637	2,669,590	2,856,678	3,258,710	3,974,790
Mulligans	1,140,856	1,104,589	1,076,915	1,064,918	997,913	955,743	892,923	1,125,656	1,089,321	1,061,018
Total Business-type Activities Expenses	16,615,142	18,458,700	18,480,524	18,943,385	18,867,496	20,146,497	22,313,517	21,551,515	21,498,641	24,292,485
Total Primary Government Expenses	57,320,497	63,166,462	66,433,131	66,713,970	71,630,618	78,659,507	102,841,904	90,892,734	101,914,135	97,237,354
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	8,413,802	10,023,023	4,191,264	3,934,299	4,704,833	37,564,149	5,712,853	5,138,585	3,846,076	4,248,044
Administrative Services	-	-	-	-	-	-	-	-	673,040	242,848
Community Services	-	-	-	-	50,104	55,098	67,194	82,357	-	-
Development Services	2,203,018	2,207,553	3,770,162	4,425,104	3,635,389	4,627,339	4,226,567	4,150,663	3,976,104	4,494,010
Public Works	1,504,460	2,340,293	6,333,077	5,872,832	2,672,510	2,743,340	4,568,970	2,464,043	2,666,183	2,727,750
Recreation	-	-	-	-	1,796,106	1,788,484	1,793,237	1,636,357	1,673,498	883,997
Public Safety	-	-	1,350,973	1,331,243	1,325,863	1,644,075	530,654	2,130,108	2,913,453	3,626,106
Parks, Recreation, and Culture	922,630	2,142,558	1,929,378	2,069,070	-	-	-	-	-	-
Operating Grants and Contributions	2,245,987	2,104,024	2,560,591	2,513,188	2,323,266	2,394,591	6,490,793	3,394,843	3,261,957	5,925,631
Capital Grants and Contributions	2,845,815	4,130,047	4,764,233	7,329,039	18,803,409	10,552,053	5,384,258	10,588,796	7,919,866	49,902,595
Total Governmental Activities Programs Revenues	18,135,712	22,947,498	24,899,678	27,474,775	35,311,480	61,369,129	28,774,526	29,585,752	26,930,177	72,050,981
Business-type Activities:										
Charges for Services:										
Water	15,198,823	15,457,540	17,058,838	17,400,811	18,087,734	19,262,475	21,011,522	21,760,554	20,513,065	22,691,199
Sanitation	2,631,313	2,782,767	2,899,907	3,205,435	3,196,587	3,468,690	3,395,857	3,823,429	4,156,658	4,658,606
Mulligans	1,150,831	1,343,934	1,229,420	1,232,458	1,283,966	1,374,806	1,279,072	1,143,210	1,259,293	1,364,483
Capital Grants and Contributions	764,448	1,437,347	2,955,905	2,386,344	3,689,351	4,547,450	4,758,408	2,075,071	2,226,178	9,417,565
Total Business-type Activities Program Revenues	19,745,415	21,021,588	24,144,070	24,225,048	26,257,638	28,653,421	30,444,859	28,802,264	28,155,194	38,131,853
Total Primary Governmental Program Revenues	37,881,127	43,969,086	49,043,748	51,699,823	61,569,118	90,022,550	59,219,385	58,388,016	55,085,371	110,182,834

CITY OF SOUTH JORDAN

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	(22,569,643)	(21,760,264)	(23,052,929)	(20,295,810)	(17,451,642)	2,856,119	(51,753,861)	(39,755,467)	(53,485,317)	(893,888)
Business-type Activities	3,130,273	2,562,888	5,663,546	5,281,663	7,390,142	8,506,924	8,131,340	7,250,749	6,656,553	13,839,368
Total Primary Government Net Expense	(19,439,370)	(19,197,376)	(17,389,383)	(15,014,147)	(10,061,500)	11,363,043	(43,622,521)	(32,504,718)	(46,828,764)	12,945,480
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	17,254,088	19,339,283	21,559,693	21,379,926	21,700,883	22,629,814	22,551,834	23,271,204	24,700,459	27,243,222
Sales and Use Taxes	8,301,690	9,047,468	9,815,735	9,682,273	10,909,154	12,417,683	13,958,648	15,467,338	15,207,236	16,546,021
Energy Sales and Use Tax	2,771,527	2,793,820	3,181,151	3,530,287	3,567,464	3,569,710	3,635,774	3,759,171	3,981,011	4,175,686
Other Taxes	872,976	921,270	14,546	1,093,176	1,138,852	1,892,006	1,936,872	2,048,685	2,061,031	3,394,897
Gain (Loss) on Disposition of Capital Assets	-	51,222	89,002	47,339	323,617	345,920	198,188	83,163	596,614	730,503
Investment Earnings	199,610	380,297	233,224	487,295	388,660	884,202	1,212,872	2,675,538	3,432,806	2,812,937
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(153,485)	(44,100)	(99,295)	157,552	4,909	4,909	(4,000,973)	(107,091)	(4,132,995)	(1,395,091)
Total Governmental Activities	29,246,406	32,489,260	34,794,056	36,377,848	38,033,539	41,744,244	39,493,215	47,198,008	45,846,162	53,508,175
Business-type Activities:										
Gain (Loss) on Disposal of Capital Assets	-	10,000	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	1,136,136	820,575
Transfers	153,485	44,100	99,295	(157,552)	(4,909)	(4,909)	4,000,973	107,091	4,132,995	1,395,091
Total Business-type Activities	153,485	54,100	99,295	(157,552)	(4,909)	(4,909)	4,000,973	107,091	5,269,131	2,215,666
Total Primary Government	29,399,891	32,543,360	34,893,351	36,220,296	38,028,630	41,739,335	43,494,188	47,305,099	51,115,293	55,723,841
Change in Net Position										
Governmental Activities	6,676,763	10,728,996	11,741,127	16,082,038	20,581,897	44,600,363	(12,260,646)	7,442,541	(7,639,155)	52,614,287
Business-type Activities	3,283,758	2,616,988	5,762,841	5,124,111	7,385,233	8,502,015	12,132,313	7,357,840	11,925,684	16,055,034
Total Primary Government	\$ 9,960,521	\$ 13,345,984	\$ 17,503,968	\$ 21,206,149	\$ 27,967,130	\$ 53,102,378	\$ (128,333)	\$ 14,800,381	\$ 4,286,529	\$ 68,669,321

CITY OF SOUTH JORDAN

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 21,408	\$ 26,239	\$ 39,877	\$ 166,613	\$ 527,304	\$ 150,539	\$ 145,704	\$ 70,634	\$ 25,477	\$ 14,050
Restricted	-	14,164	11,862	97,525	163,911	733,574	481,571	263,678	283,265	1,705,153
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	87,393	230,000	-	378,200	401,382	139,038	269,622	2,411,526
Unassigned	5,279,652	5,188,567	5,988,567	6,788,567	6,788,567	8,369,672	9,279,814	9,818,217	10,166,748	10,166,748
Total General Fund	<u>\$ 5,301,060</u>	<u>\$ 5,228,970</u>	<u>\$ 6,127,699</u>	<u>\$ 7,282,705</u>	<u>\$ 7,479,782</u>	<u>\$ 9,631,985</u>	<u>\$ 10,308,471</u>	<u>\$ 10,291,567</u>	<u>\$ 10,745,112</u>	<u>\$ 14,297,477</u>
All Other Governmental Funds										
Nonspendable	\$ 96,857	\$ 134,313	\$ 28,092	\$ 38,636	\$ 3,932,631	\$ -	\$ -	\$ 2,526	\$ 2,526	\$ -
Restricted	5,224,294	5,881,257	8,675,553	9,717,192	10,940,056	59,056,621	49,598,477	37,762,043	15,297,462	16,608,779
Committed	383,801	395,500	436,800	490,700	-	-	-	-	-	-
Assigned	15,563,096	21,817,815	29,380,518	36,073,318	38,468,133	43,755,366	44,005,861	50,540,689	55,213,540	60,871,746
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 21,268,048</u>	<u>\$ 28,228,885</u>	<u>\$ 38,520,963</u>	<u>\$ 46,319,846</u>	<u>\$ 53,340,820</u>	<u>\$ 102,811,987</u>	<u>\$ 93,604,338</u>	<u>\$ 88,305,258</u>	<u>\$ 70,513,528</u>	<u>\$ 77,480,525</u>

CITY OF SOUTH JORDAN
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 29,220,387	\$ 32,264,757	\$ 34,709,723	\$ 35,899,296	\$ 37,403,004	\$ 40,467,075	\$ 42,062,363	\$ 44,529,591	\$ 45,983,944	\$ 51,288,330
Licenses and Permits	2,203,018	2,207,553	3,062,607	3,434,674	2,947,782	3,843,132	3,481,022	3,579,710	3,456,503	4,033,362
Intergovernmental	2,245,987	2,104,024	2,560,591	3,023,580	2,134,027	2,254,258	2,929,794	2,955,803	5,883,824	6,562,403
Charges for Services	7,327,252	9,013,661	8,883,855	9,441,736	9,366,262	9,855,949	9,607,185	9,361,432	10,702,283	10,185,993
Fines and Forfeitures	885,487	827,665	769,367	785,586	902,968	842,865	599,267	601,668	582,999	454,674
Special Assessments	721,063	721,697	728,319	650,673	651,909	787,557	1,039,910	3,093,546	3,045,219	2,991,348
Interest	199,615	380,297	233,224	487,295	388,660	884,199	1,212,872	2,675,538	3,432,805	2,812,937
Impact fees	1,504,460	2,340,293	3,845,738	3,488,334	3,008,561	2,831,187	2,517,660	2,624,781	1,519,359	2,172,757
Miscellaneous	922,626	2,142,558	845,968	903,152	1,970,798	1,140,720	4,034,162	3,484,076	1,807,204	2,075,080
Total Revenues	45,229,895	52,002,505	55,639,392	58,114,326	58,773,971	62,906,942	67,484,235	72,906,145	76,414,140	82,576,884
Expenditures										
General Government	9,876,422	10,334,377	9,123,845	9,622,956	9,236,326	9,946,197	11,485,501	11,584,209	6,401,608	6,941,039
Administrative Services	-	-	-	-	-	-	-	-	8,755,622	9,658,035
Community Services	-	-	-	-	1,165,684	1,242,376	1,166,694	1,112,654	-	-
Development Services	2,905,598	3,047,669	3,272,100	3,517,569	3,573,768	3,747,832	3,956,533	4,220,898	4,571,159	5,029,802
Public Works	4,755,483	4,410,272	4,826,681	4,852,827	8,004,660	8,634,159	8,979,513	10,661,256	8,627,101	7,935,003
Recreation	-	-	-	-	1,606,161	1,774,055	1,669,889	1,682,459	1,776,639	1,161,265
Public Safety	9,498,423	9,916,399	10,202,639	10,383,972	11,042,351	11,471,980	12,763,478	13,494,051	15,770,852	16,477,343
Parks, Recreation, and Culture	2,392,833	2,144,382	3,312,352	3,410,928	-	-	-	-	-	-
Tax Increment Distributions	1,959,040	4,253,776	6,997,878	6,496,362	7,830,105	8,763,836	8,094,887	7,674,396	7,662,757	8,657,583
Developer Reimbursement	-	-	-	-	-	-	24,070,898	5,412,565	11,232,775	192,613
Capital Outlay	3,266,161	4,665,859	3,226,177	7,673,273	6,662,804	9,323,836	8,164,510	14,810,243	16,309,588	20,465,695
Debt Service										
Principal	3,361,174	4,812,188	2,149,736	2,747,919	2,929,432	4,288,796	12,700,917	5,195,712	6,915,000	9,854,000
Interest and Fees	1,880,074	1,568,137	1,524,401	1,354,322	1,249,395	1,317,402	2,695,028	3,033,943	2,920,559	3,009,678
Other	-	130,652	-	-	-	893,278	339,356	-	-	201,464
Total Expenditures	39,895,208	45,283,711	44,635,809	50,060,128	53,300,686	61,403,747	96,087,204	78,882,386	90,943,660	89,583,520
Excess (Deficiency) of Revenues over Expenditures	5,334,687	6,718,794	11,003,583	8,054,198	5,473,285	1,503,195	(28,602,969)	(5,976,241)	(14,529,520)	(7,006,636)

CITY OF SOUTH JORDAN

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Issuance of Long Term Debt	\$ -	\$ 6,880,000	\$ -	\$ -	\$ -	\$ 45,710,000	\$ 21,155,000	\$ -	\$ -	\$ 15,130,000
Bond Premium	-	94,714	-	-	-	3,017,490	2,583,013	-	-	2,745,045
Capital Lease	-	-	-	665,000	1,385,000	970,000	-	-	-	-
Sale of Capital Assets	12,200	78,122	286,519	77,139	354,857	417,777	334,766	767,348	1,324,330	1,046,044
Payment to Refunded Bonds Escrow Agent	-	(6,838,782)	-	-	-	-	-	-	-	-
Transfers In	8,565,411	9,374,735	9,120,774	10,309,550	9,981,201	10,574,111	9,221,465	14,245,221	10,772,525	16,082,841
Transfers Out	(8,718,896)	(9,418,836)	(9,220,069)	(10,151,998)	(9,976,292)	(10,569,202)	(13,222,438)	(14,352,312)	(14,905,520)	(17,477,932)
Total Other Financing Sources (Uses)	(141,285)	169,953	187,224	899,691	1,744,766	50,120,176	20,071,806	660,257	(2,808,665)	17,525,998
Net Change in Fund Balances	<u>\$ 5,193,402</u>	<u>\$ 6,888,747</u>	<u>\$ 11,190,807</u>	<u>\$ 8,953,889</u>	<u>\$ 7,218,051</u>	<u>\$ 51,623,371</u>	<u>\$ (8,531,163)</u>	<u>\$ (5,315,984)</u>	<u>\$ (17,338,185)</u>	<u>\$ 10,519,362</u>
*Debt Service as a Percentage of Noncapital Expenditures	15%	16%	9%	10%	9%	11%	17%	13%	13%	19%

*Capital Outlay Number used in computing Debt Service as a Percentage of Noncapital Expenditures is found in Note 2:B - capital outlay

CITY OF SOUTH JORDAN

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2011	\$ 3,466,518,714	\$ 538,233,438	\$ 99,688,053	\$ 2,051,195	\$ 4,102,389,011	2.33	\$ 6,360,293,040	64.50
2012	3,392,943,910	526,809,753	97,572,233	2,007,659	4,015,318,237	2.38	6,130,256,850	65.50
2013	3,435,655,884	533,441,482	98,800,518	2,032,932	4,065,864,951	2.44	6,207,427,406	65.50
2014	3,480,663,218	855,343,364	79,552,100	109,718,157	4,305,840,525	2.21	6,573,802,328	65.50
2015	3,875,242,027	882,172,868	102,555,634	486,046	4,859,484,483	2.08	7,235,213,177	67.16
2016	4,323,254,477	951,132,748	113,072,729	2,953,520	5,384,506,434	1.95	8,024,824,025	67.10
2017	4,735,752,039	1,064,107,427	125,014,848	3,651,840	5,921,222,474	1.90	8,868,931,965	66.76
2018	5,091,082,986	1,122,779,497	143,562,090	2,818,385	6,354,606,189	1.88	9,593,305,831	66.24
2019	5,749,130,063	1,274,440,465	132,225,657	46,569,886	7,109,226,320	1.80	10,747,275,812	66.15
2020	6,439,248,517	1,344,080,064	124,333,301	47,896,490	7,859,765,391	1.74	11,938,464,128	65.84

Source: Utah State Tax Commission - Property Tax Division

CITY OF SOUTH JORDAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates								
	Basic Rates	Total Direct Rate	Jordan School District	Salt Lake County Library	Salt Lake County	Mosquito Abatement	Central Utah Water Conservancy District	Sandy Suburban	South Valley Sewer	Jordan Valley Water Conservancy District	Crescent Cemetery
2011	2.33	2.33	7.32	0.60	2.70	0.05	0.44	0.97	0.40	0.42	0.05
2012	2.38	2.38	7.36	0.63	2.79	0.02	0.46	1.03	0.41	0.44	0.05
2013	2.44	2.44	7.13	0.76	3.18	0.02	0.45	1.04	0.40	0.42	0.05
2014	2.21	2.21	6.70	0.72	3.04	0.02	0.42	0.95	0.37	0.40	0.04
2015	2.08	2.08	6.87	0.75	2.53	0.02	0.41	0.89	0.35	0.40	0.04
2016	1.95	1.95	6.91	0.64	2.64	0.02	0.40	0.80	0.33	0.37	0.04
2017	1.90	1.90	6.42	0.61	2.49	0.02	0.40	0.76	0.32	0.40	0.04
2018	1.88	1.88	6.50	0.56	2.26	0.02	0.40	0.70	0.30	0.40	0.03
2019	1.80	1.80	6.68	0.54	2.16	0.01	0.40	0.64	0.28	0.38	0.03
2020	1.74	1.74	6.57	0.52	2.17	0.01	0.40	0.60	0.27	0.37	0.03

Source: Utah State Property Tax Division - www.taxrates.utah.gov

CITY OF SOUTH JORDAN
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
RiverPark LLC	\$ 281,697,800	1	3.69%	\$ 197,416,815	1	4.81%
eBay Inc	147,258,600	2	1.93	60,669,800	4	1.48
Boyer Jordan Heights LC	107,581,400	3	1.41	59,364,800	5	1.45
San Tropez Holdings LLC	106,600,540	4	1.40	19,925,219	10	0.49
VP Daybreak Operations/Investments LLC	96,138,680	5	1.26			
SOJO Station North LLC	95,276,880	6	1.25			
Merit Medical Systems Inc	91,087,110	7	1.19	49,946,127	6	1.22
WW Daybreak LLC	62,832,605	8	0.82			
Wal-Mart	53,345,200	9	0.70			
Miles Group	52,449,886	10	0.69			
Kennecott				150,376,270	2	3.67
BDN Land Development Inc				92,990,500	3	2.27
Canyon Ranches LLC				24,754,770	7	0.60
DM Market Place LLC				23,730,600	8	0.58
DEF Properties 2 LLC				20,455,170	9	0.50
Total	<u>\$ 1,094,268,701</u>		<u>14.33%</u>	<u>\$ 699,630,071</u>		<u>17.07%</u>

Sources: The City of South Jordan and The Utah Tax Commission - Property Tax Division

CITY OF SOUTH JORDAN
Property Tax Levied and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 8,512,362	\$ 8,175,797	96.05	\$ 195,487	\$ 8,371,284	98.34
2012	9,313,139	9,068,345	97.37	157,525	9,225,870	99.06
2013	9,648,746	9,444,798	97.89	140,053	9,584,851	99.34
2014	10,486,896	10,284,965	98.07	177,039	10,462,004	99.76
2015	10,803,390	10,566,323	97.81	122,910	10,689,233	98.94
2016	11,225,475	10,979,400	97.81	115,338	11,094,738	98.84
2017	11,597,117	11,364,805	98.00	112,751	11,477,556	98.97
2018	12,144,354	11,897,337	97.97	141,075	12,038,412	99.13
2019	13,386,528	13,142,262	98.18	93,455	13,235,717	98.87
2020	14,180,819	13,919,275	98.16	-	13,919,275	98.16

Source: Salt Lake County Treasurer and The City of South Jordan

CITY OF SOUTH JORDAN

Principal Sales Tax Payers

Current Year and Ten Years Ago

Tax Payer*	2020			2011		
	South Jordan Direct POS	Rank	Percentage of Total Direct POS	South Jordan Direct POS	Rank	Percentage of Total Direct POS
Retail/Grocery	\$ 1,927,346	1	11.27%			
Retail/Grocery	864,394	2	5.06	\$ 693,270	2	7.65%
Retail/Grocery	672,888	3	3.94			
Auto Sales	656,133	4	3.84	290,673	4	3.21
Auto Sales	618,755	5	3.62	329,822	3	3.64
Auto Sales	605,450	6	3.54			
Auto Sales	599,065	7	3.50	215,655	9	2.38
Auto Sales	591,126	8	3.46			
Retail/Grocery	587,049	9	3.43	279,082	5	3.08
Retail/Grocery	516,347	10	3.02			
Undisclosed**				2,229,787	1	24.60
Utility				255,286	6	2.82
Retail/Grocery				253,062	7	2.79
Retail/Grocery				249,551	8	2.75
Retail/Grocery				157,085	10	1.73
Total	<u>\$ 7,638,552</u>		<u>44.68%</u>	<u>\$ 4,953,273</u>		<u>54.65%</u>

Source: Utah State Tax Commission

*Due to the confidential nature of sales tax, taxpayer industries have been published rather than taxpayer names.

**Due to the unique nature of the tax payer's industry, revealing the industry would reveal the taxpayer.

CITY OF SOUTH JORDAN

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Fiscal Year	South Jordan City Direct Rate	Salt Lake County	State of Utah
2011	1.00	1.15	4.70
2012	1.00	1.15	4.70
2013	1.00	1.15	4.70
2014	1.00	1.15	4.70
2015	1.00	1.15	4.70
2016	1.00	1.15	4.70
2017	1.00	1.15	4.70
2018	1.00	1.15	4.70
2019	1.00	1.40	4.85
2020	1.00	1.40	4.85

Sources: Utah State Tax Commission
<http://www.tax.utah.gov/sales/rates>

CITY OF SOUTH JORDAN**Charges for Water Fees**

Last Ten Fiscal Years

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water Sales	\$ 13,729,928	\$ 14,046,642	\$ 15,663,982	\$ 15,956,690	\$ 16,591,975	\$ 17,343,573	\$ 18,691,221	\$ 19,188,886	\$ 18,955,811	\$ 21,091,520
Secondary Water Sales	674,235	718,625	727,326	733,424	736,857	735,874	740,236	744,923	799,631	812,433
Other	<u>456,633</u>	<u>503,425</u>	<u>553,151</u>	<u>539,810</u>	<u>597,700</u>	<u>917,128</u>	<u>1,241,932</u>	<u>1,270,597</u>	<u>757,623</u>	<u>787,247</u>
Total Water Fund Revenue	<u>\$ 14,860,796</u>	<u>\$ 15,268,692</u>	<u>\$ 16,944,459</u>	<u>\$ 17,229,924</u>	<u>\$ 17,926,532</u>	<u>\$ 18,996,575</u>	<u>\$ 20,673,389</u>	<u>\$ 21,204,406</u>	<u>\$ 20,513,065</u>	<u>\$ 22,691,199</u>

Source: City of South Jordan

Note: Other includes Finance Charges and Water Meter Sets.

CITY OF SOUTH JORDAN

Ratios of Outstanding Debt by Type

Last Ten Years

(dollars in thousands except per capita)

Fiscal Year	Governmental Activities							Business-type Activities				
	Municipal Bldg Authority	Excise Tax Road Bond	Sales Tax Increment Bonds	Leases	Special Assessment Bond	Subordinate Sales Tax/Tax Increment Bond	RDA Tax Increment Bond	Water Revenue Bonds	Municipal Bldg Authority (Mulligans)	Total Primary Government	Percentage of Personal Income	Per Capita
2011	\$ 6,925	\$ -	\$ 19,075	\$ 500	\$ 4,245	\$ -	\$ 8,716	\$ 33,110	\$ 5,540	\$ 78,111	5.60	\$ 1,549
2012	6,880	-	16,570	280	3,705	-	7,872	31,210	5,330	71,847	4.42	1,333
2013	6,807	-	16,234	190	3,144	-	7,013	29,993	5,170	68,551	4.13	1,221
2014	6,274	-	15,715	616	2,562	-	6,116	27,849	4,936	64,069	3.52	1,089
2015	5,726	-	15,172	1,683	1,957	-	5,179	25,667	-	55,385	3.04	941
2016	5,164	-	14,028	1,645	35,412	14,575	4,212	23,360	-	98,395	4.40	1,426
2017	4,581	-	28,274	790	34,486	14,486	3,203	20,973	-	106,791	4.78	1,547
2018	3,983	-	27,365	-	33,084	13,787	2,149	18,656	-	99,024	3.89	1,380
2019	3,365	-	26,041	-	29,670	13,027	1,049	11,529	-	84,681	3.06	1,150
2020	2,732	-	38,992	-	26,771	12,249	-	9,292	-	90,036	2.98	1,161

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See Demographic and Economic Statistics for personal income and population data.

CITY OF SOUTH JORDAN**Direct and Overlapping Governmental Activities Debt**

As of June 30, 2020

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Salt Lake County	\$ 172,205,000	6.56%	\$ 11,298,480
Jordan School District	218,672,000	29.72%	64,985,785
Central Utah Water Cons. District	192,855,487	6.56%	<u>12,653,372</u>
Subtotal overlapping debt			88,937,637
City direct debt			<u>80,743,449</u>
Total direct and overlapping debt			<u>\$ 169,681,087</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of South Jordan. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.

CITY OF SOUTH JORDAN
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	\$ 7,859,765
Reasonable Fair Cash Value	\$ 11,938,464
Debt Limit (8% of Reasonable Cash Value)	955,077
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 955,077</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit										
General (4% Fair Cash Value)	\$ 223,686	\$ 241,246	\$ 236,430	\$ 255,581	\$ 289,409	\$ 320,993	\$ 354,758	\$ 383,732	\$ 429,891	\$ 477,539
Water and Sewer (4% Fair Cash Value)	<u>223,686</u>	<u>241,246</u>	<u>236,430</u>	<u>255,581</u>	<u>289,409</u>	<u>320,993</u>	<u>354,758</u>	<u>383,732</u>	<u>429,891</u>	<u>477,539</u>
Total 8% Debt Limit	447,372	482,492	472,860	511,162	578,818	641,986	709,515	767,464	859,782	955,077
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 447,372</u>	<u>\$ 482,492</u>	<u>\$ 472,860</u>	<u>\$ 511,162</u>	<u>\$ 578,818</u>	<u>\$ 641,986</u>	<u>\$ 709,515</u>	<u>\$ 767,464</u>	<u>\$ 859,782</u>	<u>\$ 955,077</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Salt Lake County Auditor's Office

Notes: The general obligation bonded debt of the City is limited by the Utah Constitution (Article 14, Section 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum of 8% may be utilized for water and/or sewer purposes.

CITY OF SOUTH JORDAN
Pledged Revenue Coverage

Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds				Sales Tax Bonds			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment Bonds	Debt Service			Sales and Use Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
2011	\$ 14,404	\$ 8,715	\$ 5,689	\$ 1,795	\$ 1,535	1.71	\$ 703	\$ 520	\$ 183	1.00	\$ 8,302	\$ 900	\$ 869	4.69
2012	14,765	9,734	5,031	1,900	1,459	1.50	703	540	163	1.00	9,047	945	830	5.10
2013	16,391	9,898	6,493	2,050	1,376	1.90	704	561	143	1.00	9,816	485	720	8.14
2014	16,690	10,311	6,379	1,025	1,268	2.78	703	582	121	1.00	9,682	505	698	8.05
2015	17,927	10,771	7,156	2,125	1,201	2.15	704	605	99	1.00	10,909	530	677	9.03
2016	18,997	11,627	7,370	2,250	1,096	2.20	703	628	75	1.00	12,418	1,130	818	6.37
2017	20,673	14,014	6,660	2,330	981	2.01	1,946	857	1,089	1.00	13,959	1,175	1,155	5.99
2018	21,204	13,067	8,137	2,485	856	2.44	2,407	1,332	1,075	1.00	15,467	1,485	1,670	4.90
2019	20,513	12,961	7,552	2,630	916	2.13	2,091	1,175	916	1.00	15,207	1,860	1,707	4.26
2020	22,691	14,498	8,193	2,035	445	3.30	3,732	2,830	902	1.00	16,546	1,955	1,956	4.23

Source: The City of South Jordan

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

2015 RDA Subordinate Sales Tax and Tax Increment Bonds is included in the Sales Tax Bond debt service numbers.
However, sales tax is pledged only to the extent of tax increment revenue not being sufficient to cover required bond payments.

CITY OF SOUTH JORDAN

Pledged Revenue Coverage (continued)

Last Ten Fiscal Years

(dollars in thousands)

MBA Lease Revenue Bonds					Excise Tax Road Bond					Tax Increment Revenue Bond			
Fiscal Year	Sales and Use Tax	Debt Service			Class C Road Funds Revenue	Debt Service			Project Revenues	Debt Service			Coverage
		Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage	
2011	\$ 1,168	\$ 585	\$ 583	1.00	\$ 1,769	\$ 350	\$ 9	4.93	\$ 1,446	\$ 809	\$ 419	1.18	
2012	1,173	610	563	1.00	-	-	-	-	1,714	844	383	1.40	
2013	444	155	289	1.00	-	-	-	-	1,700	859	346	1.41	
2014	726	525	201	1.00	-	-	-	-	1,732	897	308	1.44	
2015	725	540	185	1.00	-	-	-	-	1,699	937	269	1.41	
2016	723	555	168	1.00	-	-	-	-	1,702	967	228	1.42	
2017	726	575	151	1.00	-	-	-	-	1,865	1,009	185	1.56	
2018	724	590	134	1.00	-	-	-	-	1,409	1,054	141	1.18	
2019	726	610	116	1.00	-	-	-	-	1,444	1,100	94	1.21	
2020	722	625	97	1.00	-	-	-	-	2,101	1,049	46	1.92	

Source: The City of South Jordan

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

CITY OF SOUTH JORDAN
Demographic and Economic Statistics
 Last Ten Calendar Years

Calendar Year	Population	Personal Income (AGI)	Per Capita Personal Income	Unemployment Rate
2011	50,418	\$ 1,395,029,694	\$ 27,669	7.3
2012	53,902	1,623,872,709	30,126	5.9
2013	56,132	1,658,849,309	29,553	4.8
2014	58,839	1,822,135,979	30,968	4.0
2015	65,150	2,039,758,365	31,309	3.5
2016	69,023	2,235,973,744	32,395	3.3
2017	71,102	2,359,834,138	33,189	3.1
2018	71,732	2,548,516,689	35,528	3.0
2019	73,666	2,771,476,327 (1)	37,622	2.8
2020	77,550	3,017,087,925 (2)	38,905	4.2

Population provided by South Jordan Community Development Department.

Unemployment Rate - Bureau of Labor Statistics, www.bls.gov,
 not seasonally adjusted, annual average ending June for Salt Lake County.

Personal Income - <http://tax.utah.gov/econstats/income/fed-2000s>

& <http://tax.utah.gov/econstats/income/federal-returns>.

(1) 2019 Personal Income amounts not available at time of print; estimated
 based on average of prior years.

(2) 2020 Personal Income amounts not available at time of print; estimated
 based on average of prior years.

CITY OF SOUTH JORDAN

Principal Employers

Current Year and Ten Years Ago

Employer	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Merit Medical	2,086	1	6.94%	857	2	5.52%
Jordan School District	1,663	2	5.53	1,201	1	7.73
Ultradent	1,502	3	5.00	750	3	4.83
Willis Towers Watson	1,000	4	3.33			
Wal-Mart Supercenter	760	5	2.53	297	8	1.91
AdvancedMD	655	6	2.18			
City of South Jordan	502	7	1.67	439	5	2.83
IHC Health Services	480	8	1.60			
OOCL (USA) Inc	475	9	1.58			
Physician Group of Utah	453	10	1.51			
Dealer Track Systems				328	7	2.11
Rio Tinto				468	4	3.01
Mona Vie				288	9	1.85
LifeTime Fitness				270	10	1.74
Landesk Software				335	6	2.16
Total	<u>9,576</u>		<u>31.84%</u>	<u>5,233</u>		<u>33.67%</u>

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General government	10.25	9.16	9.22	8.26	10.27	11.25	10.87	9.53	9.62	10.24
Management Services	17.00	19.00	17.00	16.00	16.00	17.00	22.00	22.43	23.50	24.49
Finance	9.00	7.00	9.00	10.40	9.55	9.58	12.13	15.57	19.01	18.03
Planning	6.00	7.00	7.00	6.00	7.00	7.00	7.21	7.15	7.40	7.82
Building	12.00	12.00	13.00	12.00	12.00	13.00	14.00	13.00	13.00	13.00
Legal	6.00	6.48	6.45	6.45	6.52	7.30	5.37	6.39	6.36	6.70
Municipal Court	7.00	6.04	6.15	6.12	6.13	6.00	4.03	5.30	5.00	4.00
Other	19.00	23.00	24.34	25.54	28.02	28.22	29.80	30.01	27.57	26.69
Police										
Officers	50.00	47.00	50.00	50.00	48.00	50.00	51.00	57.00	60.00	62.00
Civilians	8.91	14.06	14.42	14.15	14.58	13.22	15.99	14.43	15.65	14.80
Fire										
Firefighters and Officers	47.00	45.18	47.30	48.56	48.10	48.58	63.22	62.69	61.85	65.36
Civilians	1.34	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Refuse Collections	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	4.00
Other Public Works										
Engineering	18.00	17.00	16.00	17.00	17.00	17.00	17.81	18.04	19.32	18.75
Streets	12.00	13.00	13.16	13.70	14.13	14.33	14.22	17.10	16.16	15.24
Storm Drain	8.00	8.00	9.16	9.00	9.00	9.00	9.00	9.00	10.00	11.00
Other	13.00	14.00	13.37	13.54	14.66	15.73	14.22	15.67	18.00	17.00
Redevelopment	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Parks and Recreation	58.25	72.91	66.80	58.30	65.07	61.53	64.53	64.66	69.85	60.82
Water	18.00	19.00	18.16	19.07	20.07	21.12	21.42	22.57	21.18	20.50
Total	<u>323.75</u>	<u>344.83</u>	<u>345.53</u>	<u>339.09</u>	<u>351.10</u>	<u>355.86</u>	<u>382.82</u>	<u>396.54</u>	<u>410.47</u>	<u>404.44</u>

Source: The City of South Jordan HR Department

Notes: Reporting modified to match actual City budgets and not include seasonal employees.

CITY OF SOUTH JORDAN
Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	52	52	52	52	52	52	59	65	66	68
Fire Stations	2	2	2	2	2	2	3	3	3	3
Other public works										
Streets (City-maintained miles)	222	225	243	251	265	269	284	296	308	325
Streetlights	4,521	4,756	5,001	5,216	5,463	5,620	5,871	4,947	5,060	6,287
Storm drain (miles)	126	127	118	119	129	134	137	140	142	149
Traffic signals	15	15	26	27	27	27	33	33	39	41
Parks and recreation										
Acreage	400	400	400	400	400	403	404	496	506	506
Playgrounds	18	20	20	20	22	23	23	23	23	23
Baseball/softball diamonds	10	10	10	10	10	10	10	10	10	10
Soccer/football fields	9	9	9	9	9	9	9	9	12	12
Basketball/tennis/pickleball courts	12	12	12	12	12	12	12	12	12	26
Fishing ponds	2	2	3	3	3	3	3	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Culinary water lines (miles)	310	313	320	332	344	351	365	377	387	397
Irrigation water lines (miles)	98	167	115	116	116	122	124	106	107	109
Fire hydrants	2,897	2,929	3,091	3,183	3,327	3,399	3,526	3,642	3,751	3,889
Storage capacity (thou. of gallons)	33,600	33,600	33,600	33,600	33,600	33,600	33,600	38,600	38,600	38,600

Source: The City of South Jordan

CITY OF SOUTH JORDAN
Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Building permits issued	1,058	1,296	1,611	1,501	1,572	2,177	2,166	2,153	2,257	2,582
Building inspections conducted	37,178	50,533	54,680	50,283	59,103	59,604	19,924	32,649	30,910	31,068
Police										
Physical arrests	927	799	810	745	1,001	832	1,012	1,258	1,215	1,148
Parking violations	490	381	624	413	515	474	279	192	285	526
Traffic violations	10,327	9,247	8,712	8,490	10,124	9,229	6,544	5,354	5,296	4,416
Fire										
Emergency responses	2,546	2,020	2,561	2,710	2,998	3,321	6,335	4,580	4,399	4,536
Fires extinguished	981	110	84	79	76	84	118	95	96	121
Inspections	1,537	272	693	705	850	430	830	1,088	928	1,363
Other public works										
Street resurfacing (miles)	3	7	26	30	42	68	53	57	79	29
Potholes repaired	2,400	996	501	70	348	134	169	94	135	159
Parks and recreation										
Athletic field permits issued	8	7	7	7	8	8	19	19	19	13
Community center admissions*	18,011	22,263	22,144	23,344	24,978	25,363	26,377	30,597	29,067	11,776
Water										
New connections	840	885	587	640	1,301	858	1,242	1,515	1,338	1,150
Water main breaks*	130	117	77	74	50	90	35	22	19	16
Average daily consumption (thousands of gallons)	9,659	10,830	13,417	12,170	12,250	12,500	13,800	13,531	13,642	13,115
Peak daily consumption* (thousands of gallons)	27,317	25,370	30,080	31,730	30,670	29,033	34,040	31,760	34,230	36,130

Source: The City of South Jordan

* Indicates Estimated Indicators

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Internal Control and Compliance Reports



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South Jordan'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
November 19, 2020



GILBERT & STEWART

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

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

Report On Compliance

We have audited the City of South Jordan's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Justice Court
Restricted Taxes and Related Revenues
Open and Public Meetings Act
Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Compliance

In our opinion, the City of South Jordan, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

Report on Internal Control over Financial Reporting

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

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

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

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

November 19, 2020

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