



City of West Jordan Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2019

City of West Jordan Finance Department

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David Zobell – City Treasurer
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Michelle Thompson – Accountant II



CITY OF WEST JORDAN, UTAH



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2019



View of the Wasatch Front and West Jordan City

November 19, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the City of West Jordan, Utah (the City) for the fiscal year ended June 30, 2019 is submitted herewith. This report has been prepared by the City's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board.

Overview

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

As required by State law, an annual audit has been completed by Keddington & Christensen, LLC, an independent public accounting firm, in order to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

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

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

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

Government Profile

The City of West Jordan was incorporated on January 10, 1941. The City of West Jordan has a population of 116,046 making it the fourth-largest city in the state, and a city of the first class, as defined by the State of Utah. At build-out, the City is projected to have a population of 175,000. It is located within the Salt Lake metropolitan area and is approximately 32.02 square miles in size.

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

West Jordan operates under the council-manager form of municipal government. The City Council, composed of the mayor and six city council members, is the legislative branch of city government. The mayor and council members each serve four-year terms. The City Council is responsible for passing ordinances, adopting the budget, as well as appointing committees and the city manager. The city manager, subordinate officers, and employees are the executive branch of city government. The city manager is responsible for directing the day-to-day operations of the city, and for carrying out the ordinances and policies adopted by the City Council.

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

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

Economic Condition

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

State Economy

According to the recently published State of Utah's 2019 Economic Report to the Governor, Utah leads all states in the rate of job growth since 2010. During 2019, Utah's unemployment rate declined to 2.8 percent compared to 3.1 percent in 2018.

Utah's total personal income is estimated to have increased by 6.1 percent in 2018, in addition to the 5.0 percent increase in 2017, and higher than the estimated national average of 4.6 percent. The state's estimated 2018 per capita personal income growth of 3.9 percent is also higher than the states' growth in 2017, and higher than the estimated 2018 per capita income growth nationwide of 3.5 percent. The 2018 increase in personal income was led by strong wage growth at 3.8 percent. Jobs were added across all industry sectors in the Utah economy during 2018, including significant expansion in the information sector driven by the corridor of technology firms that continued to expand as well as strong increase in financial activities.

Utah remains a high-growth market; however, this can bring challenges if the state's already tight labor market is unable to draw more individuals into the labor force since the lack of workers could act as a constraint on growth.

Local Economy

The City of West Jordan offers a diverse environment for economic development. It features the largest contiguous acreage of undeveloped land in Salt Lake County, as well as numerous redevelopment and opportunity zones located throughout the city.

There is currently more than 6,000 acres of undeveloped, commercially zoned land in the southwest quadrant of West Jordan. The area has seen significant interest resulting in commercial manufacturing and light industrial growth. It is currently home to a host of companies including a 700,000 square foot manufacturing facility for Boeing, Dannon's second-largest U.S. facility and, in September 2019, Amazon announced plans for a new 1,000,000 square foot distribution center in the area.

The Economic Development Department is busy negotiating with more than eight independent interests regarding development on the open acreage. The open projects represent billions in investment dollars that will come to the area over the next decade.

While the open acreage makes the City of West Jordan appealing, the city has also worked hard to fill parcels within the more developed city center. Recently the city backfilled an old semiconductor building with a state-of-the-art data center, that houses operations for PayPal. In addition, Aligned Energy broke ground in late October on a new facility to provide adaptable data center infrastructure and services with plans for expansion anticipated to result in a large 780,000 square foot campus.

Within the last six months four Utah-based corporations have announced the relocation of their corporate headquarters to West Jordan. The companies are diverse in their offerings and represent some of the fastest growing companies in the State of Utah, including Sportsman's Warehouse, Walker Edison, Quality Electrical Systems and Arctic Circle.

Long-term Financial Planning

The City continues to be responsive to trends and the effects of its underlying economy on the ability to sustain city- provided services. City reporting systems provide adequate tracking and warning of potential problems, and our efforts to design and implement a comprehensive performance-based program and accountability budgeting and management system to improve accountability and transparency are firmly in place.

Growing net position and, consequently, the City's ability to appropriately address any contingency is a priority. In the past year, the City was successful in significantly increasing its general operating net position. Efforts are firmly focused now on the development of a long-term fiscal strategic plan, which will provide policies for financial management, set the philosophy and values of the City pertaining to financial management, provide five-year projections of revenue and expenditures, and prescribe specific methodologies to address future contingencies.

Meanwhile, the City has been and will continue to be judicious in the use of debt financing. Better monitoring and evaluation tools will help assure measured and safe progress while still addressing the challenging needs of a growing community.

Awards & Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Jordan for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This marks the 37th consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award and recognizes the conformance with the highest standards for preparation of state and local government financial reports.



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

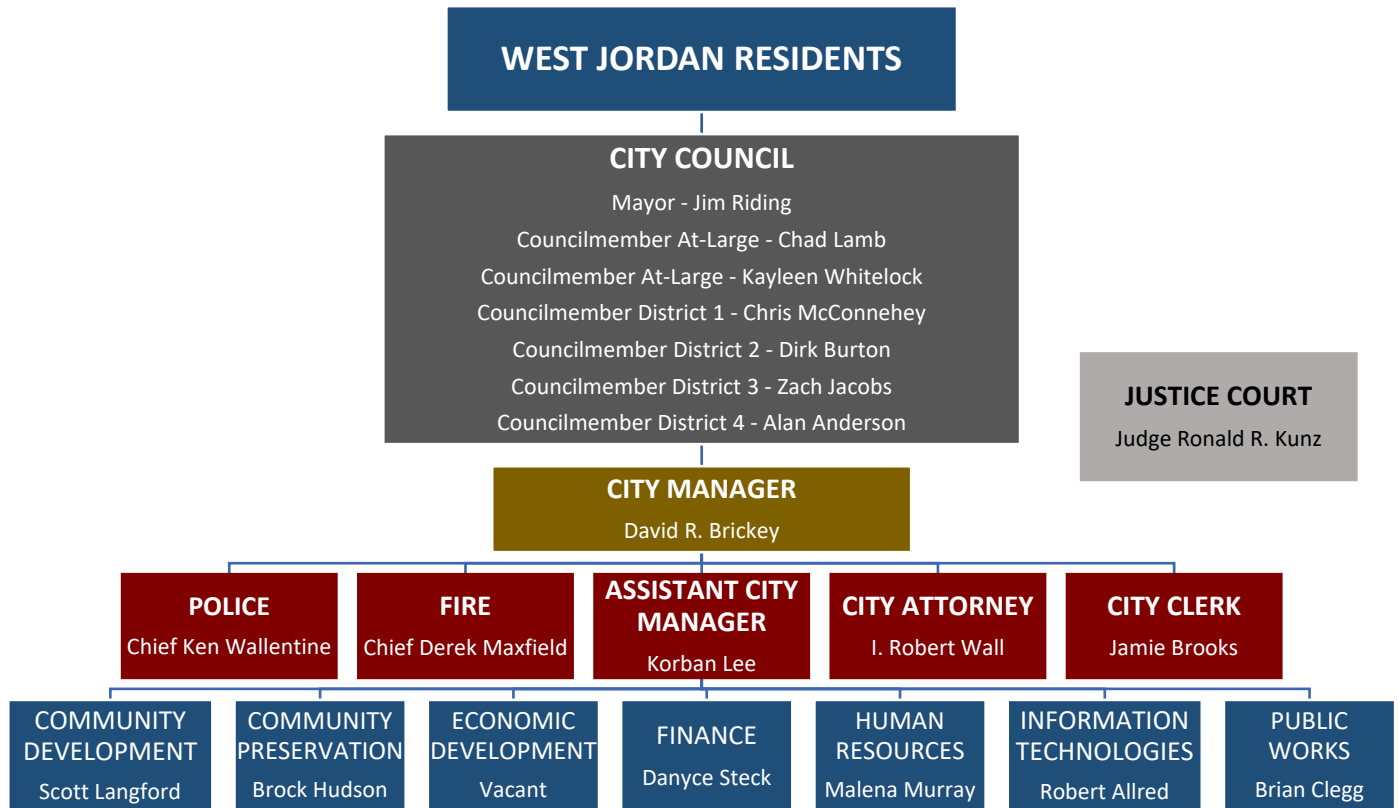
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the City's Finance Department staff and Keddington and Christensen LLC. Each member of the team has our sincere appreciation for the contributions made in the preparation of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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Danyce Steck".

Danyce Steck, CPFO
Finance Director

ORGANIZATIONAL CHART



SERVICES BY DEPARTMENT

City Attorney

- Legal Services
- Prosecution
- Victim Assistance

City Clerk

- Agenda Management
- Elections
- Records Management

Community Development

- Building and Safety
- Development Services

Community Preservation

- Business Licensing
- Code Enforcement

Economic Development

- Economic Development
- Property management
- Redevelopment

Finance

- Accounting
- Budget
- Financial Reporting
- Payroll
- Procurement
- Utility Billing
- Treasury Services

Fire

- Administration
- Emergency Operations
- Fire Services
- Fire Prevention
- Medical Services

Human Resources

- Benefits
- Policy
- Recruitment
- Risk Management
- Training

Information Technologies

- System Management
- Technical Support

Police

- Administration
- Animal Control
- Community Services
- Crossing Guards
- Investigations
- Patrol

Public Works

- Administration
- Capital Projects
- Cemetery
- Engineering
- Facilities
- Fleet Management
- GIS
- Parks and Recreation
- Solid Waste
- Storm Water
- Streets
- Wastewater
- Water



ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor	Jim Riding
Councilmember At-large	Chad Lamb
Councilmember At-large	Kayleen Whitelock
Councilmember – District 1	Chris McConnehey
Councilmember – District 2	Dirk Burton
Councilmember – District 3	Zach Jacob
Councilmember – District 4	Alan Anderson

Appointed by Mayor and Council

City Manager	David R. Brickey
City Attorney	I. Robert Wall
City Engineer	Nathan Nelson
City Clerk	Jamie Brooks (Acting)
City Treasurer	David Zobell
Budget Officer	Eric Okerlund
Municipal Court Judge	Ronal Kunz

Management Team

City Manager	David Brickey
Assistant City Manager	Korban Lee
City Attorney	Robert Wall
Communications & Events Manager	Tauni Barker
Director of Community Development	Scott Langford
Director of Economic Development	Paul Coates (Acting)
Director of Finance	Danyce Steck
Director of Human Resources	Malena Murray
Director of Information Technologies	Robert Allred
Director of Public Works	Brian Clegg
Fire Chief	Derek Maxfield
Municipal Court Judge	Ronal Kunz
Police Chief	Ken Wallentine



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of West Jordan
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

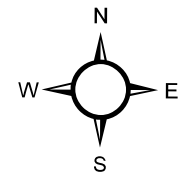
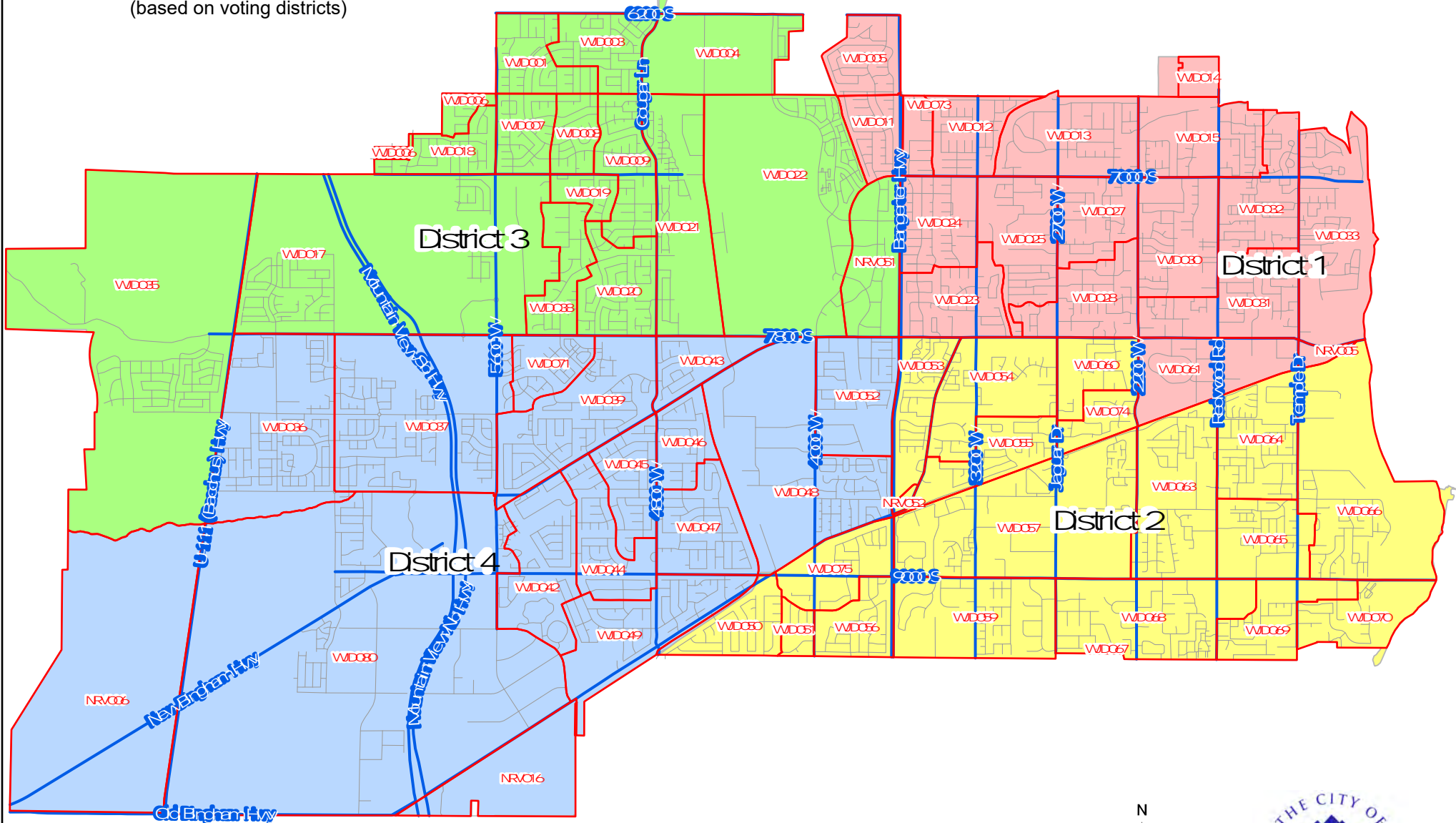
June 30, 2018

Christopher P. Morrill

Executive Director/CEO

CITY MAP

(based on voting districts)



FINANCIAL SECTION



For Fiscal Year Ended June 30, 2019



West Jordan Western Stampede Rodeo 2019



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of West Jordan, Utah as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City of West Jordan, Utah's basic financial statements as listed in the table of contents.

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 City'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 City'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, the business type-activities, each major fund, and the aggregate remaining fund information of City of West Jordan, Utah as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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 on pages 20-36, budgetary comparison information on pages 105-107, and pension schedules on pages 108-110, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of West Jordan, Utah's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and budgetary comparison schedules, 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and budgetary comparison schedules is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2019, on our consideration of City of West Jordan, Utah's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 of West Jordan, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 2, 2019

As management of the City of West Jordan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of West Jordan for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$568,103,925 (net position). Of this amount, \$40,492,011 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$23,528,518. Of this increase, \$11,135,830 (48%) is attributable to governmental activities, and \$12,392,688 to business-type activities. The increase for governmental activities can be attributed to a property tax increase and the receipt of \$10,104,536 in donated infrastructure. The City increased its public safety workforce by adding five (5) police officers and nine (9) firefighters in FY2019. Other operational spending remained steady. Business-type activities received \$6,561,000 in donated infrastructure and increased utility rates during the year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$51,243,461. This is a decrease of (\$2,140,351) from the prior fiscal year. This is largely due to the continued construction of a new public works building and other large road projects.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,053,120 or 22.2 percent of actual general fund revenues. The General Fund's net change of fund balance was an increase of \$707,879 which was held to restore the General Fund's reserves to be used in the next fiscal year.
- The City's total long-term liabilities (excluding net pension liability) decreased by (\$6,243,866), or 10.2 percent. This is largely due to the repayment of bond and lease principal in the amount of \$6,186,743.

REPORT OVERVIEW

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

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

FUND FINANCIAL STATEMENTS

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

A. Governmental Funds

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

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

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

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

At June 30, 2019, the City's combined governmental fund balance is \$51,243,461. Of that balance, \$1,126,251 is non-spendable, \$20,812,187 is restricted, \$22,115,493 is assigned, and \$7,189,530 is unassigned. Additional details regarding governmental fund balances can be found in Note 1 and Note 20 of the Notes to the Financial Statements of this report.

FUND FINANCIAL STATEMENTS

A. Governmental Funds (continued)

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 nine (9) individual governmental funds:

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

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

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

B. Proprietary Funds

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

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

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

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



FUND FINANCIAL STATEMENTS (continued)

C. Notes to the Financial Statements

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

D. Required Supplementary Information (RSI)

This section contains budget to actual comparison statements for the City's general fund as well as other major special revenue funds. This section also contains required supplementary information for the City's pension program.

E. Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table summarizes the City's net position:

	Governmental activities		Business-type activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Current and noncurrent assets	\$ 92,879,048	\$ 89,500,474	\$ 33,156,333	\$ 38,574,506	\$ 126,035,380	\$ 128,074,980
Capital assets	336,166,196	326,014,388	214,389,159	201,853,235	550,555,355	527,867,623
Total assets	429,045,244	415,514,862	247,545,491	240,427,741	676,590,735	655,942,603
Total deferred outflows of resources	14,300,545	14,199,236	1,067,074	862,705	15,367,619	15,061,941
Long-term liabilities	49,168,106	53,316,011	16,201,633	18,435,262	65,369,739	71,751,273
Net pension liability	17,693,191	9,527,853	1,333,172	585,567	19,026,363	10,113,420
Other liabilities	13,591,148	10,375,502	4,729,580	7,813,783	18,320,728	18,189,285
Total liabilities	80,452,445	73,219,366	22,264,385	26,834,612	102,716,830	100,053,978
Total deferred inflows of resources	21,027,398	25,764,616	110,201	610,543	21,137,599	26,375,159
Net position:						
Net investment in capital assets	294,646,335	289,376,266	204,277,734	193,304,926	498,924,071	482,681,192
Restricted	21,247,090	30,654,737	7,440,755	9,919,257	28,687,845	40,573,994
Unrestricted	25,972,521	10,699,113	14,519,490	10,621,108	40,492,011	21,320,221
Total net position	\$ 341,865,946	\$ 330,730,116	\$ 226,237,979	\$ 213,845,291	\$ 568,103,925	\$ 544,575,407

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of West Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$568,103,925 as of June 30, 2019. This is an increase of \$23,528,518 from the previous fiscal year.

As of June 30, 2019, the City is able to report positive balances in all three categories of net position – government-wide, governmental activities, and business-type activities.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

All funds, with the exception of the Highland Special Improvement District reported positive fund balances for all categories of net position.

- *Net Investment in Capital Assets* - By far the largest portion of the City's position (87.8%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, equipment, intangibles, and construction in progress), less any outstanding related debt used for acquisition of those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted Net Position* – This portion of net position represents resources that are subject to external restrictions on how they may be used. Impact fee reserves, state fund reserves, funds restricted for redevelopment, debt service reserves, and federal fund reserves qualify under this category.
- *Unrestricted Net Position* - The amount reported as unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

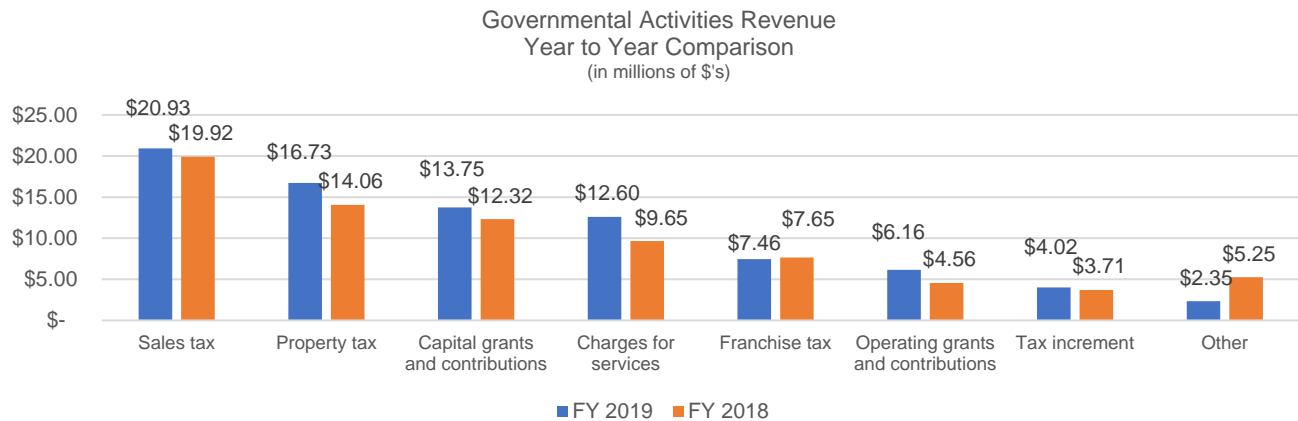
The following table summarizes the City's operations:

	Governmental activities		Business-type activities		Total	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Revenues						
Program revenues						
Charges for services	\$ 12,603,419	\$ 9,652,429	\$ 45,020,205	\$ 36,537,893	\$ 57,623,624	\$ 46,190,322
Operating grants and contributions	6,160,722	4,557,199	-	60,800	6,160,722	4,617,999
Capital grants and contributions	13,746,334	12,322,861	6,561,000	9,235,168	20,307,334	21,558,029
General revenues						
Sales tax	20,933,636	19,922,143	-	-	20,933,636	19,922,143
Property tax	16,732,884	14,057,857	-	-	16,732,884	14,057,857
Tax increment	4,021,956	3,709,686	-	-	4,021,956	3,709,686
Franchise tax	7,456,661	7,651,704	-	-	7,456,661	7,651,704
Investment income	1,454,030	815,631	567,293	481,090	2,021,323	1,296,721
Gain on disposal of assets	176,218	4,074,090	-	-	176,218	4,074,090
Miscellaneous	716,155	362,399	-	-	716,155	362,399
Total revenues	84,002,015	77,125,999	52,148,498	46,314,951	136,150,513	123,440,950
Expenses						
General government	9,868,197	8,439,151	-	-	9,868,197	8,439,151
Community development	4,383,739	4,164,418	-	-	4,383,739	4,164,418
Public safety	33,467,506	30,160,845	-	-	33,467,506	30,160,845
Highways & public improvements	17,792,366	22,290,768	-	-	17,792,366	22,290,768
Parks, recreation, and culture	6,347,331	5,540,635	-	-	6,347,331	5,540,635
Debt service - interest and fiscal charges	1,007,046	1,567,567	-	-	1,007,046	1,567,567
Water	-	-	21,237,890	19,449,729	21,237,890	19,449,729
Sewer	-	-	9,689,704	9,094,867	9,689,704	9,094,867
Solid waste	-	-	4,514,868	4,289,067	4,514,868	4,289,067
Storm water	-	-	4,027,184	3,302,722	4,027,184	3,302,722
Streetlight	-	-	286,164	322,672	286,164	322,672
Total expenses	72,866,185	72,163,384	39,755,810	36,459,057	112,621,995	108,622,441
Increase (decrease) in net position before transfers	11,135,830	4,962,615	12,392,688	9,855,894	23,528,518	14,818,509
Transfers - net	-	50,000	-	(50,000)	-	-
Increase (decrease) in net position	11,135,830	5,012,615	12,392,688	9,805,894	23,528,518	14,818,509
Net position at beginning of year	330,730,116	325,717,501	213,845,291	204,039,397	544,575,407	529,756,898
Net position at end of year	\$ 341,865,946	\$ 330,730,116	\$ 226,237,979	\$ 213,845,291	\$ 568,103,925	\$ 544,575,407

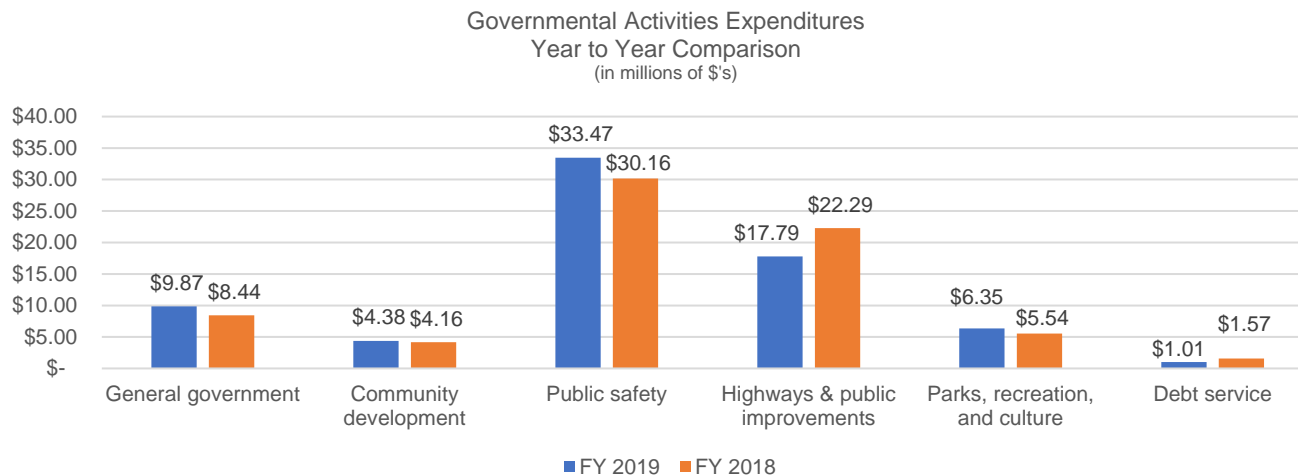
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Governmental activities increased the City’s net position by \$11,135,830, which is approximately \$6.12 million more than the prior year’s increase. Key elements affecting this increase in governmental activities net position are as follows:

Total governmental activities revenue increased by \$6.88 million from the prior year. Of that amount, \$3.8 million is the result of an increase in tax revenue. In FY2019, the City adopted an 18% property tax increase which resulted in an increase of \$2.68 million. Sales tax revenue grew by 5.1% from the previous year. Franchise tax continues to decrease year over year as telecommunications move from landlines to cellular technology.



Total expenditures for governmental activities overall increased \$702,801 which was a one-percent change from the previous year. General government, community development, public safety, and parks activities all reported increases while there was a significant decrease in public improvements due to the completion of the construction of the public works building.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Business-type Activities – Business-type activities increased the City’s net position by \$12,392,688. Key elements affecting this change in business-type net position are as follows:

Total business-type activities revenue increased by \$5.8 million (4.7%) from the prior year due to rate increases which went into effect in October 2018 and February 2019. The October 2018 increase was only applied the Water Fund. All funds were affected by the February 2019 increase except the Streetlight Fund.

Total business-type activities expense increased by approximately \$3.3 million from the prior year. Most of this increase is water utility expense attributed to the Water Fund as the utility increased meter replacements and increase system maintenance and improvements.

FUND ANALYSIS

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

A. Governmental Funds

The focus of the City’s governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. 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 following funds are classified as governmental funds of the City:

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

As of June 30, 2019, the City’s governmental funds reported combined fund balances of \$51,243,461. This represents a decrease of (\$2,140,351) from last year’s ending balances.



FUND ANALYSIS (continued)

A. Governmental Funds (continued)

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

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

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

- *Non-spendable* - \$ 1,126,251, or 2.2%
- *Restricted* - \$ 20,812,187, or 40.6%
- *Assigned* - \$22,115,493 or 43.2%
- *Unassigned* - \$7,189,530, or 14.0%

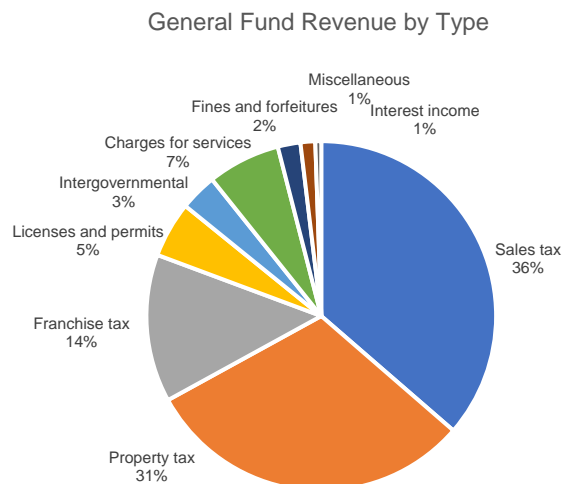
General Fund

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Revenues exceeded expenditures (including other financing sources and uses) in the general fund by \$932,532.

A transfer of \$1,107,850 to the capital projects fund was completed during the fiscal year. The majority of this transfer was intended to support road maintenance (\$750,000) with the remaining amount intended for facility maintenance (\$357,850).

The budget authorized a transfer of \$750,000, however in FY2019, the City transferred an additional \$357,850 as land was sold and the proceeds were dedicated to capital improvements.

Taxes continue to be the largest source of revenue in the general fund and represent 80.9% of total general fund revenues. The largest component of tax revenue is sales tax, which represents 45.1% of tax revenues and 36.5% of total general fund revenues. Overall, the City’s diversification between tax revenue sources is balanced and not significantly dependent on one type of revenue which reduces risk to economic change.

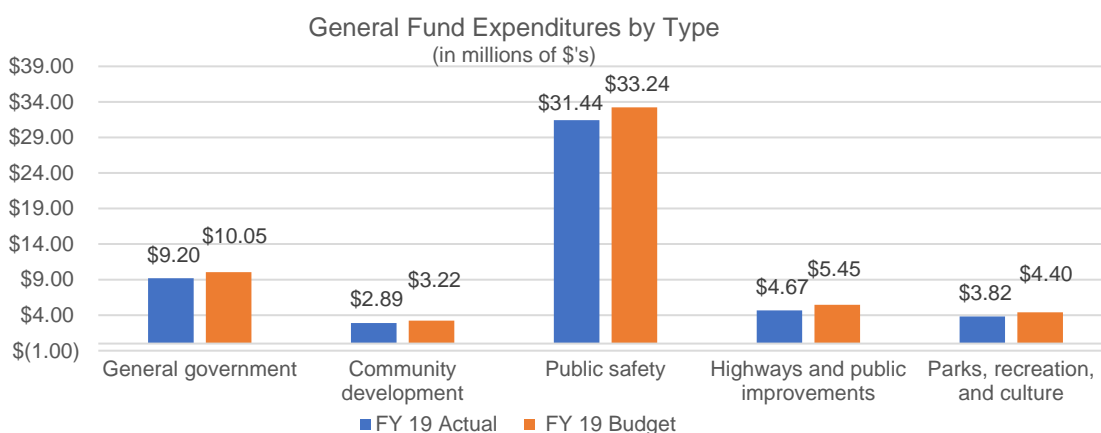


FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

General fund expenditures increased 7.8% during fiscal year 2019 to \$52,363,326 from \$48,571,557 in 2018. Over half of this increase is from the addition of five (5) full-time police officers, nine (9) full-time firefighters, as well as a restructuring of the compensation to crossing guards. Public safety expenditures increased by \$2,022,348 over the previous fiscal year. Twenty-five percent (25%) of the increase was in general government due to the centralization of IT services. This centralization reduced expense in the other service categories.



Capital Improvement Projects Fund

The Capital Improvement Projects (CIP) Fund balance increased from \$19,792,614 in FY2018 to \$22,448,326 in FY2019, or 13.4%.

In FY2019, the CIP Fund reported a decrease in impact fee revenue related to development from \$4,916,526 to \$3,206,853. The Fund also reported an increase in intergovernmental revenue related to a state grant funds for road construction.

The CIP Fund has reported both sales and property tax revenue related to the debt service of the Series 2013, Series 2014, and Series 2015 bonds. In FY2019, the City restructured this activity and is transitioning it to the General Fund. In FY2019, the CIP fund only reported enough of this revenue to satisfy the debt service. The next year's budget has transitioned all this activity to the General Fund.

In FY2019, the CIP Fund reported \$10.1 million in highway and other public improvements and \$1.1 million in park improvements. All other activity was debt related.

FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Redevelopment Agency Fund

The RDA fund balance increased \$2,054,081 to a total of \$11,905,994.

During fiscal year 2019, property tax collections from redevelopment areas increased 8.1% percent to a total of \$4,021,956 from \$3,722,099 in FY 2018. This was due to the activation of new area in the Agency which generated \$326,855 in new tax increment revenue.

Excluding the property acquisition and sale that occurred in FY2018, the only change in the RDA Fund was related to the cost-sharing of the debt service of the Series 2008 Special Assessment Bonds between the RDA and the KraftMaid SID Fund discussed below.

KraftMaid Special Improvement District Fund

The KraftMaid Special Improvement District receives funds from the RDA Fund (KraftMaid area) to pay the debt service of the Series 2008 Special Assessment Bonds. In FY 2018, the KraftMaid SID Fund reported payment of \$255,417 of the debt service and the RDA fund reported payment of \$565,438 of the debt service. In FY 2019, the KraftMaid SID Fund reported the payment of \$869,410 of the debt service and the RDA fund paid \$0.

Municipal Building Authority Fund

The Municipal Building Authority Fund was reported as a major fund in the previous two (2) fiscal years due to the issuance of a lease revenue bond and the construction of the new Public Works Building. Since the majority of construction occurred in FY2018, there was a significant decrease in expenditures in FY2019. In FY2019, the Fund did not qualify as a major fund and as such is reported as a non-major fund. Construction was complete in FY2019 and future activity will consist of lease revenue and debt service.

Other Non-major Governmental Funds

The Highlands Special Improvement District's fund balance ended the year at (\$8,199) due to increased levels of service required for snow removal and sprinkler maintenance. Assessments receipted over the next fiscal year are anticipated to restore this fund to a positive fund balance.

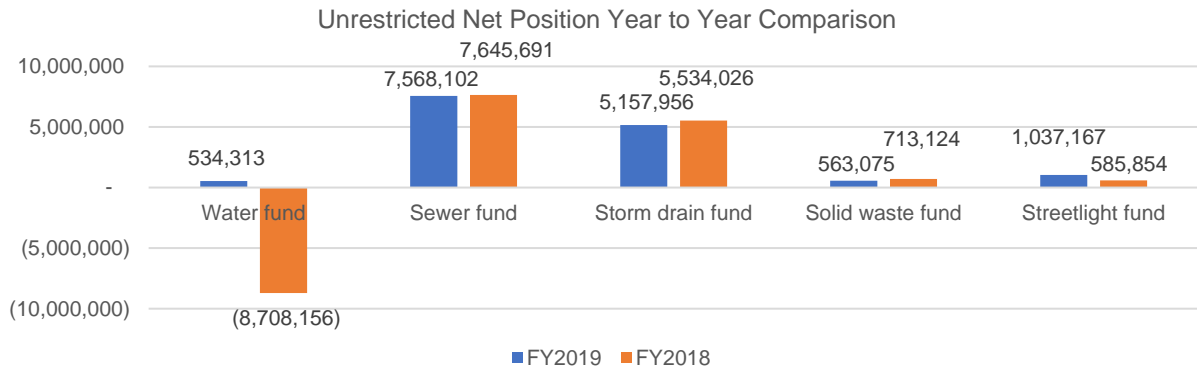
There were no significant changes in the other non-major governmental funds.



FUND ANALYSIS (continued)

B. Proprietary Funds

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



Water Fund

The Water Fund’s unrestricted net position increased this fiscal year by \$9,242,469 to a total of \$543,313, which was approximately 2.4% of the current fiscal year’s revenues. In the previous fiscal year, the Water Fund had a negative unrestricted net position of (\$8,708,156).

The Water Fund also has a restricted net position of \$7.43 million which consists of bond funds reserved for the construction of a water tank.

Revenue increased by \$3,490,352 (18%) over the previous year which is the result of water rate increases effective in October 2018 and February 2019.

Operating expenses increased by \$1,847,816 (9.7%) over the previous year due to an increase in meter replacements and maintenance to the system, as well as depreciation of the water system.

The aforementioned water tank is currently in the pre-construction phase with construction of the tank anticipated over the next fiscal year. The cost of this tank is entirely funded from the restricted bond funds.

Sewer Fund

The Sewer Fund’s unrestricted net position decreased by (\$77,589) to a total of \$7,568,102, which is 76% of the fund’s current annual revenues. These reserves are intended to support the increased investment in the South Valley Water Reclamation Facility required to comply with the new federal standards of the Environmental Protection Agency (EPA).

Revenue increased by \$561,192 (6%) over the previous year which is the result of a sewer rate increase effective in February 2019.

Operating expenses increased by \$655,750 (7.3%) from the previous fiscal year. Half of the increase is due to depreciation expense (53%) and the other half (47%) is due to increased personnel cost.

FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

Storm Water Fund

The Storm Water Fund's unrestricted net position decreased by (\$376,070) from the previous fiscal year to a total of \$5,157,956, which is 147% of the fund's current annual revenues. These reserves are intended to support the City's increased cost demands to comply with new federal standards of the Environmental Protection Agency (EPA) and other State requirements for the management and storage of storm water.

Revenues increased by \$361,895 (12%) over the previous year which is the result of a storm drain rate increase effective in February 2019.

Operating expenses increased by \$738,766 (23.2%) due to increased maintenance of the system.

Solid Waste Fund

The Solid Waste Fund's unrestricted net position decreased by (\$150,049) from the previous fiscal year to a total of \$563,075, which is 11% of the fund's current annual revenues.

Revenues increased by \$827,677 (20%) over the previous year which is the result of a rate increase effective in February 2019 as well as growth in services.

Operating expenses increased by \$807,380 (19%) due to the increased cost of the collection of garbage and acceptance and treatment of recycling – a cost that continues to grow with changes in the recycling market.

Streetlight Fund

The Streetlight Fund's unrestricted net position continued to grow to a total of \$1,037,167 or 144% of current annual charges for services. The City has intentionally been building reserves in this fund to be dedicated to adding streetlights to the system. By providing a sufficient amount of reserves to fund a larger project, the City is able to recognize more cost efficiency using the economies of scale.

Revenues increased by 1% over the previous year which was the result of growth. There were no rate changes during the year.

Operating expenses decreased by (\$36,508), or -11% from the previous year which was a savings in power costs.



GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, general fund budgeted expenditures were amended from an original budget total of \$59,976,214 to a final budget total of \$62,454,798 (4.1 percent difference). All departments monitor their budgets closely and are required to stay within their allotment. Expenditure budget adjustments made during the year can be summarized as follows.

A. General government

- \$134,114 for the reorganization of the prosecutor's office
- \$28,000 for facilities maintenance
- \$11,992 for emergency operations and risk management
- \$6,077 for other administrative support needs

B. Public safety

- \$750,456 for the addition of nine (9) firefighters
- \$728,382 for the addition of five (5) police officers including wages, equipment, and training
- \$213,306 to change the compensation plan for crossing guards
- \$188,770 for grant-funded equipment and supplies
- \$45,487 for grant-funded overtime

C. Parks, recreation, and culture

- \$372,000 for irrigation system improvements

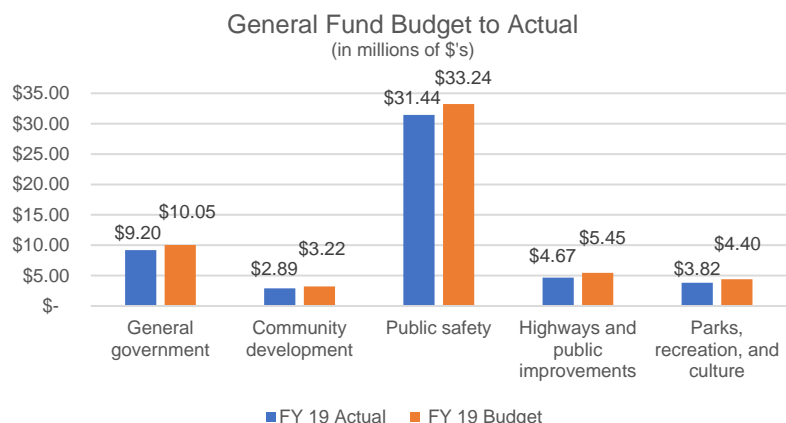
General fund budgeted revenues were amended from \$56,759,864 to \$56,891,038 (2.31 percent difference). Revenue budget adjustments made during the year can be summarized as follows.

D. Intergovernmental revenue

- \$119,357 in additional grant revenue
- \$11,817 in miscellaneous revenue

During the year, actual revenues were greater than budgeted revenues by \$1,577,670. The majority of the difference is attributed to receipting all property tax revenue in the General Fund instead of receipting a portion to the CIP fund. The remaining portion is attributed to sales tax growth.

Actual expenditures were less than budgeted expenditures by \$4,352,096. Each of the reported categories spent between 85% - 95% of their budgets. The majority of the savings was contributed by the savings in public safety, with the police department contributing \$1.54 million. The remaining savings was equally contributed by the other departments. Sixty-seven percent (67%) of the savings (\$2.90 million) was attributed to personnel and 33% was attributed to operations (\$1.45 million).





CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$550,555,355. This investment in capital assets includes land, buildings, infrastructure, equipment, intangibles (water shares and capacity rights), and construction in progress. Infrastructure is defined as roads, utility systems, parks, and so forth. The total increase from the previous year of the City's investment in capital assets was \$22,687,732 (4.3%).

	Governmental activities		Business-type activities		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
Land	\$ 159,829,015	\$ 157,742,436	\$ 6,963,324	\$ 4,498,262	\$ 166,792,339	\$ 162,240,698
Construction in progress	9,816,977	29,765,448	15,319,584	20,776,276	25,136,562	50,541,724
Buildings	43,429,057	17,784,296	73,523	79,215	43,502,580	17,863,511
Infrastructure	117,817,938	114,237,987	165,679,386	152,380,741	283,497,324	266,618,728
Equipment	5,273,209	6,484,221	35,375	13,114	5,308,584	6,497,335
Intangibles	-	-	26,317,965	24,105,627	26,317,966	24,105,627
Total	\$ 336,166,196	\$ 326,014,388	\$ 214,389,157	\$ 201,853,235	\$ 550,555,355	\$ 527,867,623

During the year, the City spent \$21,547,239 (excluding donated assets) on assets.

Major capital asset events during the fiscal year 2019 include:

- The completion of the City's new Public Works Building for a total cost of \$26,185,582.
- The completion of \$1,890,418 of park improvements throughout the City.
- The completion of \$1,904,414 in road improvements throughout the City.
- The acceptance of \$16,665,536 in developer-contributed assets including \$10,104,536 in donated roads, land under roads, and sidewalks, \$2,106,000 in donated water lines, \$2,430,000 in donated sewer lines, and \$2,025,000 in donated storm drain infrastructure.

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

LONG-TERM DEBT

As of June 30, 2019, the City had \$64,828,872 in outstanding long-term debt.

	Governmental activities		Business-type activities		Total	
	FY2019	FY2018	FY2019	FY2018	FY2019	FY2018
General obligation bonds	\$ 4,140,000	\$ 4,785,000	\$ -	\$ -	\$ 4,140,000	\$ 4,785,000
Revenue bonds	30,065,000	31,745,000	15,855,000	18,110,000	45,920,000	49,855,000
Special assessment bonds	1,816,000	2,571,000	-	-	1,816,000	2,571,000
Unamortized bond premiums	1,746,051	2,251,321	-	-	1,746,051	2,251,321
Unamortized discounts/loss	(97,208)	(111,035)	-	-	(97,208)	(111,035)
Capital leases	3,850,018	4,551,762	-	-	3,850,018	4,551,762
Compensated absences	7,111,000	6,814,445	296,023	267,164	7,407,023	7,081,609
	\$ 48,630,861	\$ 52,607,493	\$ 16,151,023	\$ 18,377,164	\$ 64,781,884	\$ 70,984,657

The City's total debt (including compensated absences and other long-term liabilities) decreased by \$6,202,773 in FY2019. The net change is a result of normally scheduled debt service payments in the amount of \$5,335,000, capital and contract payments in the amount of \$1,136,638, the issuance of a capital lease in the amount of \$434,894, increases in compensated absences, and amortization of discounts, premiums and refunding cost in the amount of \$491,443.

LONG-TERM DEBT (continued)

During the current fiscal year, the City issued a capital lease in the amount of \$434,894 and had an increase in compensated absences in the amount of \$372,402.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of the "reasonable fair cash value" of property within the City. Of this percent, a maximum of 4% may be used for general purposes. The current limitation for the City is \$430,023,946, which is significantly in excess of the City's outstanding general obligation debt. The remaining 4 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 8 percent, may be utilized for water and sewer projects. The current limitation for all debt, including that used for water and sewer projects is \$860,047,892, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long-term debt can be found in Notes 12 through 14 in the Notes to the Financial Statements of this report.

ECONOMIC FACTORS

According to the U.S. Bureau of Labor Statistics, the unemployment rate in Salt Lake City as of August 2019 was 2.8% as compared to 3.0% of the previous year. The national unemployment rate was 4.0% as of August 2019 as compared to 3.9% of the previous year.

According to the U.S. Bureau of Labor Statistics, in September 2019 the consumer price index (CPI) in the western region was up 2.6% from a year ago, while the CPI for the nation rose 1.7% for that same period.

Statewide sales tax revenue increased by 4.7% in FY2019 which represents strong consumer confidence over the past year.



NEXT YEAR'S BUDGETS AND RATES

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

A. Next Year's General Fund Budget

The following chart compares the General Fund's budget to FY 2019 for use in understanding the narrative below.

	GENERAL FUND		
	FY 2019 Actual	FY 2020 Budget	Difference
REVENUES			
Sales tax	\$ 19,841,574	\$ 21,039,420	
Sales tax ¹	1,092,062	N/A	
Sales tax - combined	20,933,636	21,039,420	0.51%
Transportation sales tax (new)	N/A	1,713,112	100.00%
Property tax	16,721,767	16,983,731	1.57%
Franchise tax	7,456,661	8,028,620	7.67%
Licenses and permits	2,725,046	2,609,500	-4.24%
Intergovernmental	1,869,697	1,337,966	-28.44%
Charges for services	3,673,039	3,600,762	-1.97%
Fines and forfeitures	1,142,819	1,180,000	3.25%
Miscellaneous	669,352	538,500	-19.55%
Investment income	303,753	100,000	-67.08%
Total revenues	55,495,770	57,131,611	2.95%
EXPENDITURES			
General government	9,199,390	10,738,871	16.73%
Community development	2,894,955	3,109,841	7.42%
Public safety	31,775,271	33,909,688	6.72%
Highways and public improvements	4,672,797	4,665,208	-0.16%
Parks, recreation, and culture	3,820,913	3,884,876	1.67%
Debt service:			
Principal	-	1,669,608	100%
Interest and fiscal charges	-	217,822	100%
Total expenditures	52,363,326	58,195,914	11.14%
Excess (deficiency) of revenues over (under) expenditures	3,132,444	(1,064,303)	
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	
Sale of capital assets	-	-	
Transfers in	-	-	
Transfers out	(1,107,850)	(1,332,428)	
Total other financing sources (uses)	(1,107,850)	(1,332,428)	
Net change of fund balance	\$ 2,024,594	\$ (2,396,731)	

¹ In FY2019, a portion of sales tax was receipted into the Capital Support Fund to provide funds for the payment of debt service on a sales tax revenue bond. This was consistent with prior year reporting. Beginning in FY2020, all general fund revenues and debt service will be budgeted and reported in the General Fund instead of the Capital Support Fund.

Effective October 1, 2018, the sales tax rate imposed within the City's boundaries increased from 6.85% to 7.10%. This rate increase is budgeted to provide the City with \$1.7 million to be dedicated to transportation infrastructure.

In addition, the City transferred all General Fund debt service and associated revenues previously reported in the CIP fund to the General Fund in the FY2020 budget.

General Fund budgeted expenditures exceeds budgeted revenues in FY2020 by (\$2,396,731). The City continues to work towards a more sustainable budget.

NEXT YEAR'S BUDGETS AND RATES (continued)

B. Utility Rates

In October 2018 and February 2019, the City adjusted utility rates in response to a rate study based on both operational and capital needs (master plans). The study recommended gradual rate increases every year for the next five (5) years, however, the City Council did not approve any future rate increases until a detailed review of the study has been completed.

The budget for the utilities assumed revenue growth based on a full year of the current rate structure.

REQUESTS FOR INFORMATION

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

Danyce Steck CPFO
Finance Director
City of West Jordan
8000 South Redwood Road
West Jordan, Utah 84088
(801) 569-5009
danyce.steck@westjordan.utah.gov

BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2019



Comcast Cares Day 2019

Government-Wide Financial Statements



STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 38,247,799	\$ 13,626,811	\$ 51,874,610
Accounts receivable (net of allowance)	1,698,261	5,112,864	6,811,125
Due from other governments	25,241,534	-	25,241,534
Internal balances	341,123	(341,123)	-
Inventory	39,265	1,573,450	1,612,715
Prepaid items	482,135	-	482,135
Subtotal current assets	<u>66,050,117</u>	<u>19,972,002</u>	<u>86,022,119</u>
Noncurrent assets			
Restricted cash	26,184,815	7,440,755	33,625,470
Notes receivable	644,116	-	644,116
Investments in joint ventures	-	5,743,577	5,743,577
Capital assets			
Land	159,829,015	6,963,324	166,792,339
Construction in progress	9,816,977	15,319,584	25,136,561
Buildings	56,577,746	321,357	56,899,103
Infrastructure	281,470,173	246,880,890	528,351,063
Equipment	23,383,641	2,170,426	25,554,067
Intangibles	-	26,317,965	26,317,965
Accumulated depreciation and amortization	(194,911,356)	(83,584,389)	(278,495,745)
Subtotal noncurrent assets	<u>362,995,127</u>	<u>227,573,489</u>	<u>590,568,616</u>
Total assets	<u>429,045,244</u>	<u>247,545,491</u>	<u>676,590,735</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	138,863	-	138,863
Deferred pension costs	14,161,682	1,067,074	15,228,756
Total deferred outflows of resources	<u>14,300,545</u>	<u>1,067,074</u>	<u>15,367,619</u>
LIABILITIES			
Current liabilities			
Accounts payable	7,128,733	4,507,545	11,636,278
Accrued liabilities	2,327,435	80,171	2,407,606
Unearned revenue	74,270	104,441	178,711
Customer deposits	4,060,710	37,423	4,098,133
Compensated absences	2,901,156	136,069	3,037,225
Interest payable	382,245	50,610	432,855
Notes payable	155,000	-	155,000
Bonds and leases payable	4,289,417	2,300,000	6,589,417
Subtotal current liabilities	<u>21,318,966</u>	<u>7,216,259</u>	<u>28,535,225</u>
Noncurrent liabilities			
Compensated absences	4,209,844	159,954	4,369,798
Net pension payable	17,693,191	1,333,172	19,026,363
Bonds and leases payable	37,230,444	13,555,000	50,785,444
Subtotal noncurrent liabilities	<u>59,133,479</u>	<u>15,048,126</u>	<u>74,181,605</u>
Total liabilities	<u>80,452,445</u>	<u>22,264,385</u>	<u>102,716,830</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension gains	1,462,549	110,201	1,572,750
Deferred property taxes	19,564,849	-	19,564,849
Total deferred inflows of resources	<u>21,027,398</u>	<u>110,201</u>	<u>21,137,599</u>
NET POSITION			
Net investment in capital assets	294,646,335	204,277,734	498,924,069
Restricted			
Capital	18,325,309	-	18,325,309
Debt service	2,755,976	7,440,755	10,196,731
Other purposes	165,805	-	165,805
Unrestricted			
	25,972,521	14,519,490	40,492,011
Total net position	<u>\$ 341,865,946</u>	<u>\$ 226,237,979</u>	<u>\$ 568,103,925</u>

The accompanying notes are an integral part of this statement.



STATEMENT OF ACTIVITIES

	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities							
General government	\$ 9,868,197	\$ 3,004,810	\$ -	\$ -	\$ (6,863,387)	\$ -	\$ (6,863,387)
Community development	4,383,739	3,602,433	496,268	-	(285,038)	-	(285,038)
Public safety	33,467,506	2,532,397	1,611,862	-	(29,323,247)	-	(29,323,247)
Highways and public improvements	17,792,366	1,448,613	4,046,292	13,137,034	839,573	-	839,573
Parks, recreation, and culture	6,347,331	2,015,165	6,300	609,300	(3,716,566)	-	(3,716,566)
Debt service - interest and fiscal charges	1,007,046	-	-	-	(1,007,046)	-	(1,007,046)
Total governmental activities	72,866,185	12,603,419	6,160,722	13,746,334	(40,355,711)	-	(40,355,711)
Business-type activities							
Water	21,237,890	23,551,811	-	2,106,000	-	4,419,921	4,419,921
Wastewater	9,689,704	10,846,553	-	2,430,000	-	3,586,849	3,586,849
Solid waste	4,514,868	4,928,905	-	-	-	414,037	414,037
Storm water	4,027,184	4,975,069	-	2,025,000	-	2,972,885	2,972,885
Streetlight	286,164	717,867	-	-	-	431,703	431,703
Total business-type activities	\$ 39,755,810	\$ 45,020,205	\$ -	\$ 6,561,000	\$ -	\$ 11,825,395	\$ 11,825,395
General Revenues:							
Sales taxes					\$ 20,933,636	\$ -	20,933,636
Property taxes					16,732,884	-	16,732,884
Tax increment					4,021,956	-	4,021,956
Franchise taxes					7,456,661	-	7,456,661
Investment income					1,454,030	567,293	2,021,323
Gain on disposal of assets					176,218	-	176,218
Miscellaneous					716,155	-	716,155
Total general revenue and transfers					51,491,540	567,293	52,058,833
Change in net position					11,135,830	12,392,688	23,528,518
Net position - beginning					330,730,116	213,845,291	544,575,407
Net position - ending					\$ 341,865,946	\$ 226,237,979	\$ 568,103,925

The accompanying notes are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

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

Capital Projects Fund

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

Redevelopment Agency (RDA) Fund

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

Other Governmental Funds

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



BALANCE SHEET – GOVERNMENTAL FUNDS

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,285,825	\$ 16,403,014	\$ 6,849,998	\$ 3,275,956	\$ 30,813,605
Accounts receivable (net of allowance)	1,423,071	-	266,826	652,373	2,342,270
Due from other governments	20,236,091	4,000,000	-	1,005,443	25,241,534
Due from other funds	4,490,500	-	42,454	-	4,532,954
Prepaid items	482,135	-	-	-	482,135
Restricted cash	4,937,727	-	19,243,846	1,567,153	25,749,914
Total assets	35,855,349	20,403,014	26,403,124	6,500,925	89,162,412
LIABILITIES					
Accounts payable	880,154	6,520	3,954,798	2,092,271	6,933,743
Accrued liabilities	2,308,716	-	-	2,196	2,310,912
Due to other government	-	-	-	-	-
Due to other funds	-	4,490,500	-	42,454	4,532,954
Deposits	4,060,710	-	-	-	4,060,710
Unearned revenue	74,270	-	-	-	74,270
Total liabilities	7,323,850	4,497,020	3,954,798	2,136,921	17,912,589
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	15,554,731	4,000,000	-	10,118	19,564,849
Deferred ambulance billings	393,086	-	-	-	393,086
Deferred other	48,427	-	-	-	48,427
Total deferred Inflows of resources	15,996,244	4,000,000	-	10,118	20,006,362
FUND BALANCE					
Nonspendable	482,135	-	-	644,116	1,126,251
Restricted	-	-	19,245,034	1,567,153	20,812,187
Committed	-	-	-	-	-
Assigned	-	11,905,944	8,058,683	2,150,816	22,115,493
Unassigned	12,053,120	-	(4,855,391)	(8,199)	7,189,530
Total fund balances	12,535,255	11,905,944	22,448,326	4,353,886	51,243,461
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 35,855,349	\$ 20,403,014	\$ 26,403,124	\$ 6,500,925	\$ 89,162,412

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

The accompanying notes are an integral part of this statement.



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

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

Total Fund Balance - Total Governmental Funds	\$ 51,243,461
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	330,417,421
Long-term liabilities, including bonds payable, capital leases, notes, interest payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(45,206,386)
Deferred outflows relating to the loss on refunding of debt is not a current available resource and therefore is not included in the funds.	138,863
Pension liabilities, pension assets, and deferred inflows and outflows of resources relating to pensions are not currently available resources and are therefore not included in the governmental funds.	(4,922,191)
Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resource measurement focus.	782,636
Internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	9,412,142
Net Position - Governmental Activities	<u>\$ 341,865,946</u>

The accompanying notes are an integral part of this statement.



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

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Sales tax	\$ 19,841,574	\$ -	\$ 1,092,062	\$ -	\$ 20,933,636
Property tax	16,721,767	-	-	11,117	16,732,884
Tax increment	-	4,021,956	-	-	4,021,956
Franchise tax	7,456,661	-	-	-	7,456,661
Impact fees	-	-	3,206,853	-	3,206,853
Licenses and permits	2,725,046	-	-	-	2,725,046
Intergovernmental	1,869,697	-	3,032,497	4,542,560	9,444,754
Charges for services	3,673,039	-	-	1,920,938	5,593,977
Fines and forfeitures	1,142,819	-	-	-	1,142,819
Miscellaneous	669,352	5,000	41,807	-	716,159
Investment income	303,753	344,017	551,299	254,961	1,454,030
Total revenues	54,403,708	4,370,973	7,924,518	6,729,576	73,428,775
EXPENDITURES					
General government	9,199,390	-	-	-	9,199,390
Community development	2,894,955	1,445,982	-	348,390	4,689,327
Public safety	31,775,271	-	-	-	31,775,271
Highways and public improvements	4,672,797	-	10,060,073	5,730,466	20,463,336
Parks, recreation, and culture	3,820,913	-	1,073,117	-	4,894,030
Debt service:					
Principal	-	-	1,605,000	1,625,000	3,230,000
Interest and fiscal charges	-	-	238,557	1,255,815	1,494,372
Total expenditures	52,363,326	1,445,982	12,976,747	8,959,671	75,745,726
Excess (deficiency) of revenues over (under) expenditures	2,040,382	2,924,991	(5,052,229)	(2,230,095)	(2,316,951)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	176,600	-	176,600
Transfers in	-	-	7,531,341	870,910	8,402,251
Transfers out	(1,107,850)	(870,910)	-	(6,423,491)	(8,402,251)
Total other financing sources (uses)	(1,107,850)	(870,910)	7,707,941	(5,552,581)	176,600
Net change of fund balance	932,532	2,054,081	2,655,712	(7,782,676)	(2,140,351)
Fund balance at beginning of year	11,602,723	9,851,913	19,792,614	12,136,562	53,383,812
Fund balance at end of year	\$ 12,535,255	\$ 11,905,994	\$ 22,448,326	\$ 4,353,886	\$ 51,243,461

The accompanying notes are an integral part of this statement.



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

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

Net change in fund balance - Total governmental funds	\$ (2,140,351)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	10,728,026
Revenue recognized in the government-wide statement of activities that are not in the fund statements.	(42,874)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,717,326
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.	(1,013,313)
The net revenue of certain activities of the internal service funds are reported with governmental activities.	(112,984)
	<hr/>
Change in net position - Governmental activities	<u><u>\$ 11,135,830</u></u>

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund

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

Wastewater Fund

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

Storm Water Fund

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

Non-Major Fund

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

Internal Service Funds

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



**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ -	\$ 6,880,477	\$ 5,413,620	\$ 1,332,714	\$ 13,626,811	\$ 7,434,194
Accounts receivable (net of allowance)	2,950,122	944,073	462,798	755,871	5,112,864	107
Due from other funds	-	194,002	-	-	194,002	-
Inventory	1,573,450	-	-	-	1,573,450	39,265
Total current assets	4,523,572	8,018,552	5,876,418	2,088,585	20,507,127	7,473,566
Noncurrent assets						
Restricted cash	7,437,128	-	3,627	-	7,440,755	434,901
Investments in joint ventures	-	-	-	5,743,577	5,743,577	-
Capital assets						
Land	4,431,205	-	2,532,119	-	6,963,324	-
Construction in progress	10,413,419	-	4,906,165	-	15,319,584	678,025
Buildings	321,357	-	-	-	321,357	-
Infrastructure	127,499,772	61,806,262	57,574,856	-	246,880,890	-
Equipment	502,516	57,500	-	1,610,410	2,170,426	20,512,394
Intangibles	283,730	26,034,235	-	-	26,317,965	-
Accumulated depreciation and amortization	(42,075,698)	(21,659,966)	(18,238,315)	(1,610,410)	(83,584,389)	(15,441,644)
Total noncurrent assets	108,813,429	66,238,031	46,778,452	5,743,577	227,573,489	6,183,676
Total assets	113,337,001	74,256,583	52,654,870	7,832,162	248,080,616	13,657,242
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension costs	461,615	301,228	249,926	54,305	1,067,074	203,793
Total deferred outflows of resources	461,615	301,228	249,926	54,305	1,067,074	203,793
LIABILITIES						
Current liabilities						
Accounts payable	3,297,590	233,708	513,898	462,349	4,507,545	194,990
Accrued liabilities	135,465	22,029	24,028	3,090	184,612	16,523
Due to other funds	194,002	-	-	-	194,002	-
Interest payable	20,089	-	30,521	-	50,610	46,157
Compensated absences	58,455	42,910	34,704	-	136,069	34,861
Bonds and leases payable	1,665,000	-	635,000	-	2,300,000	1,094,417
Customer deposits	37,273	-	-	150	37,423	-
Total current liabilities	5,407,874	298,647	1,238,151	465,589	7,410,261	1,386,948
Noncurrent liabilities						
Compensated absences	83,598	45,577	27,175	3,604	159,954	30,684
Net pension payable	576,729	376,345	312,251	67,847	1,333,172	254,613
Bonds and leases payable	9,485,000	-	4,070,000	-	13,555,000	2,755,601
Total noncurrent liabilities	10,145,327	421,922	4,409,426	71,451	15,048,126	3,040,898
Total liabilities	15,553,201	720,569	5,647,577	537,040	22,458,387	4,427,846
DEFERRED INFLOWS OF RESOURCES						
Deferred pension gains	47,673	31,109	25,811	5,608	110,201	21,047
Total deferred inflows of resources	47,673	31,109	25,811	5,608	110,201	21,047
NET POSITION						
Net investment in capital assets	90,226,301	66,238,031	42,069,825	5,743,577	204,277,734	2,333,658
Restricted						
Debt service	7,437,128	-	3,627	-	7,440,755	434,901
Unrestricted	534,313	7,568,102	5,157,956	1,600,242	14,860,613	6,643,583
Total net position	\$ 98,197,742	\$ 73,806,133	\$ 47,231,408	\$ 7,343,819	\$ 226,579,102	\$ 9,412,142

The accompanying notes are an integral part of this statement.



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

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

Total Net Position - Total Proprietary Funds	\$ 226,579,102
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	(341,123)
Net Position - Business-type Activities	<u>\$ 226,237,979</u>

The accompanying notes are an integral part of this statement.



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

	Business-type Activities				Total	Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds		Internal Service Funds
OPERATING REVENUES						
Charges for services	\$22,400,007	\$9,902,905	\$3,500,694	\$ 5,646,772	\$ 41,450,378	\$ 5,772,503
Other	-	-	75	-	75	7,379
Total operating revenues	22,400,007	9,902,905	3,500,769	5,646,772	41,450,453	5,779,882
OPERATING EXPENSES						
Wages and benefits	1,322,883	1,190,168	1,043,849	101,976	3,658,876	755,102
Administrative fees	2,350,851	1,351,092	601,208	480,796	4,783,947	8,017
Operations and maintenance	14,702,016	5,932,673	1,114,311	4,790,400	26,539,400	2,927,150
Depreciation and amortization	2,571,736	1,207,771	1,160,634	-	4,940,141	2,527,805
Total operating expenses	20,947,486	9,681,704	3,920,002	5,373,172	39,922,364	6,218,074
Operating income (loss)	1,452,521	221,201	(419,233)	273,600	1,528,089	(438,192)
NONOPERATING REVENUES (EXPENSES)						
Investment income	235,635	172,165	131,829	27,664	567,293	190,311
Interest and fiscal charges	(284,981)	-	(100,350)	-	(385,331)	(98,646)
Impact fees	1,151,804	943,648	1,474,300	-	3,569,752	-
Equity in income of joint venture	-	-	-	574,286	574,286	-
Gain/(loss) on disposal of assets	-	-	-	-	-	233,543
Total nonoperating revenues (expenses)	1,102,458	1,115,813	1,505,779	601,950	4,326,000	325,208
Income (loss) before contributions and transfers	2,554,979	1,337,014	1,086,546	875,550	5,854,089	(112,984)
Capital contributions	2,106,000	2,430,000	2,025,000	-	6,561,000	-
Change in net position	4,660,979	3,767,014	3,111,546	875,550	12,415,089	(112,984)
Total net position, beginning	93,536,763	70,039,119	44,119,862	6,468,269	214,164,013	9,525,126
Total net position, ending	\$98,197,742	\$73,806,133	\$47,231,408	\$ 7,343,819	\$ 226,579,102	\$ 9,412,142

The accompanying notes are an integral part of this statement.



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

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

Change in net position - Proprietary Funds	\$ 12,415,089
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities.	(22,401)
Change in net position - Business-type activities	<u>\$ 12,392,688</u>

The accompanying notes are an integral part of this statement.



**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Wastewater Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 22,566,335	\$ 10,019,119	\$ 3,444,588	\$ 5,510,654	\$ 41,540,696	\$ 5,779,779
Payments to suppliers of goods and services	(16,363,653)	(6,916,353)	(2,187,182)	(4,727,269)	(30,194,457)	(3,540,738)
Payments to employees for services	(1,287,233)	(1,160,822)	(972,573)	(90,409)	(3,511,037)	(664,679)
Payment for interfund services	(2,350,851)	(1,351,092)	(601,208)	(480,796)	(4,783,947)	(8,017)
Net cash provided (used) by operating activities	2,564,598	590,852	(316,375)	212,180	3,051,255	1,566,345
Cash flows from noncapital financing activities						
Changes to interfund receivables and payables	194,002	(194,002)	-	-	-	-
Net cash provided (used) by noncapital financing activities	194,002	(194,002)	-	-	-	-
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	-	-	-	-	233,543
Purchases of capital assets	(6,296,175)	(2,622,374)	(1,996,514)	-	(10,915,063)	(1,951,584)
Impact fees	1,151,804	943,648	1,474,300	-	3,569,752	-
Proceeds from issuance of debt	-	-	-	-	-	434,894
Principal paid on debt	(1,630,000)	-	(625,000)	-	(2,255,000)	(1,135,881)
Interest and fiscal charges paid on capital debt	(288,700)	-	(104,119)	-	(392,819)	(101,650)
Net cash provided (used) by capital and related financing activities	(7,063,071)	(1,678,726)	(1,251,333)	-	(9,993,130)	(2,520,678)
Cash flows from investing activities						
Investment income	235,635	172,165	131,829	27,664	567,293	190,311
Net cash provided by investing activities	235,635	172,165	131,829	27,664	567,293	190,311
Net increase (decrease) in cash and cash equivalents	(4,068,836)	(1,109,711)	(1,435,879)	239,844	(6,374,582)	(764,022)
Cash and cash equivalents - beginning of year	11,505,964	7,990,188	6,853,126	1,092,870	27,442,148	8,633,117
Cash and cash equivalents - end of year	\$ 7,437,128	\$ 6,880,477	\$ 5,417,247	\$ 1,332,714	\$ 21,067,566	\$ 7,869,095
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,452,521	\$ 221,201	\$ (419,233)	\$ 273,600	\$ 1,528,089	\$ (438,192)
Adjustments to reconcile operating income to net cash provided by:						
Depreciation and amortization	2,571,736	1,207,771	1,160,634	-	4,940,141	2,527,805
(Increase) decrease in receivables	166,328	116,214	(56,180)	(136,117)	90,245	(107)
(Increase) decrease in inventory	(570,856)	-	-	-	(570,856)	-
(Increase) decrease in payables	(1,110,350)	(973,416)	(1,076,332)	63,323	(3,096,775)	(615,053)
(Increase) decrease in liabilities	55,219	19,082	74,736	11,374	160,411	91,892
Net cash provided by operating activities	\$ 2,564,598	\$ 590,852	\$ (316,375)	\$ 212,180	\$ 3,051,255	\$ 1,566,345
Noncash investing, capital and financing activities						
Capital contributions, developers	\$ 2,106,000	\$ 2,430,000	\$ 2,025,000	\$ -	\$ 6,561,000	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements



West Jordan Wild West Playground located in Veteran's Memorial Park – Grand opening October 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The City of West Jordan was incorporated January 10, 1941, under laws of the state of Utah. The City operates under a Council-Manager form of municipal government.

The Council-Manager form of municipal government was created by the Laws of Utah 1977, Chapter 48. This form of government may not be adopted by a city or town without voter approval. This form of government has been removed from state law and is no longer an option for Utah cities and towns. A municipality operating on May 4, 2008 under the council-manager form of government continues to operate under the council-manager form of government according to the applicable provisions of Laws of Utah 1977, Chapter 48.

In this form of government, a city manager is the chief executive officer of the City and has the following powers and duties prescribed by the state law, including the power to appoint individuals to municipal offices and positions. The city manager runs the day-to-day operations of the city and all employees report to this individual. The city manager serves at the will of the City Council.

The Mayor chairs the City Council and votes on all issues as a full-voting member of the Council.

The Council is a six-member legislative policy-making body of the City. The Council enacts laws, appropriates funds, and reviews municipal administration. In addition, the Council determines (by ordinance or resolution) the broad policy for the City as well as some specific policies such as the manner in which municipal property is bought, sold, traded, encumbered, or otherwise transferred; and a subdivision or annexation is approved, disapproved, or otherwise regulated.

In November 2017, the citizens voted to change the form of government to a Council-Mayor form of government to take effect on January 6, 2020.

The City is considered a full-service municipality and provides the following services: public safety, judicial services, highways and streets, sanitation, parks, recreation, water, planning and zoning, and general administrative services.

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

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

Blended Component Units

The Redevelopment Agency of West Jordan City (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by the executive director who is the City Manager, and a board of trustees composed of the Mayor serving as the Chairman and the six (6) members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by the executive director who is the City Manager, and a board of trustees composed of the Mayor serving as the Chairman and the six (6) members of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. Separate financial statements are not issued for the MBA.

The Fairway Estates Special Service Recreation District (District) was established as a separate taxing entity with the purpose of maintaining the streetscapes of the District. The District is governed by the executive director who is the City Manager, and a board of trustees composed of the Mayor serving as the Chairman and the six (6) members of the City Council. Although it is a legally separate entity from the City, the District is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. Separate financial statements are not issued for the District.

Investment in Joint Venture

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

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Additionally, the City 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 restricted or committed to expenditures for specified purposes.

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

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

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

Cash, Cash Equivalents, and Investments

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

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

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Unbilled sales receivables for June 30, 2019 were estimated based on an average of June and July revenues less year end accounts receivable.

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

Inventories and Prepaid Items

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

Restricted Cash

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



NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Capital Assets

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

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

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

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

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

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

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

Buildings	15 to 30 years
Infrastructure	25 to 50 years
Machinery and equipment	3 to 15 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows/Inflows of Resources

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net 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 several items, *deferred revenue*, which qualify for reporting in this category on both the government-wide statement of net position and governmental funds balance sheet. Both statements report unavailable revenue due to property taxes, while the governmental funds balance sheet also reports unavailable revenue due to ambulance billing. In addition, the statement of net position reports *resources related to pensions*, which relates to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Customer Deposits

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

Compensated Absences

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property Taxes

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

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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.

Long-term Obligations

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance

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

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

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

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

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

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

The City currently has multiple general fund assignments as detailed on the next page.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance (continued)

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 2019, this amount is \$2,728,025.

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

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

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

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

Use of Estimates

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

(Note 1 continued on next page)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget Process

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

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

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



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

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

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

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

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

Cost of capital assets	\$ 509,887,113
Accumulated depreciation	(179,469,712)
Investment in joint venture	-
Total difference	<u>\$ 330,417,421</u>

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

Bonds payable	\$ (36,021,000)
Compensated absences	(7,045,455)
Bond premium, discount, or refunding cost (to be amortized to interest income)	(1,648,843)
Capital lease payable	-
Loans payable	(155,000)
Accrued interest payable	(336,088)
Total difference	<u>\$ (45,206,386)</u>

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

Deferred bond loss	\$ 138,863
Total difference	<u>\$ 138,863</u>

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

Net pension asset	\$ -
Deferred pension gains	13,957,889
Net pension liability	(17,438,578)
Deferred pension costs	(1,441,502)
Total difference	<u>\$ (4,922,191)</u>



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

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

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

Deferred ambulance billings	\$ 393,086
Deferred licensing renewal billings	48,427
Internal service fund services to the enterprise funds	341,123
Total difference	<u>\$ 782,636</u>

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

Ending net position, Fleet Management Fund	\$ 5,186,205
Ending net position, IT Replacement Fund	1,212,581
Ending net position, Risk Management Fund	679,698
Net investment in capital assets, Fleet Management Fund	2,135,830
Net investment in capital assets, IT Replacement Fund	197,828
Total difference	<u>\$ 9,412,142</u>

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

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

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

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

Capital outlay	\$ 9,617,649
Depreciation expense	(8,993,777)
Developer contributions	10,104,536
Cost of capital sold	(382)
Total difference	<u>\$ 10,728,026</u>

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

Change in deferred ambulance billings	\$ (113,704)
Change in deferred licensing renewal billings	48,427
Internal service fund services to the enterprise funds	22,403
Total difference	<u>\$ (42,874)</u>



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

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

Long-term debt. The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments:	
Sales tax revenue bonds	\$ 960,000
General obligation bond	645,000
Special assessment revenue bond	755,000
Lease revenue bond	720,000
Federal contract (HUD)	150,000
Interest expense	(17,944)
Bond premium amortization	505,270
Total difference	<u>\$ 3,717,326</u>

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

Compensated absences	\$ 278,001
Net pension asset	1,238,008
Net pension liability	7,910,725
Deferred pension gains	79,340
Deferred pension costs	(8,492,761)
Total difference	<u>\$ (1,013,313)</u>

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

<i>Change in net position</i> from the Fleet Management Fund	\$ (363,509)
<i>Change in net position</i> from the IT Replacement Fund	72,431
<i>Change in net position</i> from the Risk Management Fund	178,094
Total difference	<u>\$ (112,984)</u>

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

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

Internal balances	<u>\$ (341,123)</u>
Total difference	<u>\$ (341,123)</u>



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

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

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

Allocated revenue (loss) from internal service funds	\$ (22,401)
Total difference	\$ (22,401)

NOTE 3 - PROPERTY TAXES

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

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

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2019. Most of the tax will not be received until the following fiscal year.



NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

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

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

A. Custodial Credit Risk

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

As of June 30, 2019, the City’s bank balance deposit carrying value was \$87,649,682. Of this amount, \$86,467,765 was subject to custodial credit risk because it is uninsured. The City has no formal policy regarding custodial credit risk.

A summary of the City’s bank balances at June 30, 2019 is as follows:

Cash - Bank A	\$10,747,780
Cash - Bank B	4,363
Utah Public Treasurer's Investment Fund	65,677,079
Bond Trust Accounts - Bank A	434,902
Bond Trust Accounts - Bank B	10,542,906
Bond Trust Accounts - Bank C	242,652
Total	<u>\$87,649,682</u>

A summary of the City’s cash, cash equivalents, and investments at June 30, 2019 is as follows:

Restricted	\$ 33,625,470
Unrestricted	51,874,610
Total	<u>\$ 85,500,080</u>
Cash	\$ 8,602,641
Cash equivalents and investments	76,897,439
Total	<u>\$ 85,500,080</u>

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

B. Credit Risk

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

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

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

C. Interest Rate Risk

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

D. Concentration of Credit Risk

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

As of June 30, 2019, the City held no investments outside of the Utah Public Treasurer's Investment Fund which is exempt from the concentration limit.

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

E. Investments

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

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

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

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



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

F. Fair Value of Investments

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

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

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2019, the City's fair value investments in the PTIF were \$271,103 more than the amortized cost of \$65,677,079. However, since the PTIF operates under an amortized cost basis the City has not adjusted to fair market value.

As of June 30, 2019, the City's \$65,677,079 investment in the PTIF had an average adjusted maturity of less than one year (Level 2 inputs).

NOTE 5 – RECEIVABLES

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

	Accounts receivable	Taxes	Inter-governmental	Gross receivables	Less: Allowance for uncollectable accounts	Total receivables, net
General Fund	\$ 1,383,063	\$20,236,091	\$ 709,316	\$22,328,470	\$ (669,308)	\$21,659,162
Redevelopment Agency	-	4,000,000	-	4,000,000	-	4,000,000
Capital Projects	14,595	-	252,231	266,826	-	266,826
Non-major Governmental	652,386	-	1,005,443	1,657,829	(13)	1,657,816
Water	2,956,747	-	-	2,956,747	(6,625)	2,950,122
Wastewater	947,293	-	-	947,293	(3,220)	944,073
Storm Water	464,684	-	-	464,684	(1,886)	462,798
Non-major Proprietary	760,001	-	-	760,001	(4,130)	755,871
Internal Service Funds	107	-	-	107	-	107
Total	\$ 7,178,876	\$24,236,091	\$1,966,990	\$33,381,957	\$ (685,182)	\$32,696,775



NOTE 6 – INTERFUND TRANSFERS

The City transferred monies between funds to support related capital expenditures in the capital projects fund, related debt service payments, and fees for services to the internal service fund.

	Transfers In				Total
	General Fund	Capital Projects	Non-Major Governmental	Internal Service Funds	
Transfers Out:					
General	\$ -	\$ 1,107,850	\$ -	\$ -	\$ 1,107,850
Redevelopment	-	-	870,910	-	870,910
Non-major Governmental	-	6,423,491	-	-	6,423,491
	\$ -	\$ 7,531,341	\$ 870,910	\$ -	\$ 8,402,251

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

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

	Due to:			Total Due To
	General Fund	Capital Projects	Sewer	
Due from:				
Redevelopment	\$ 4,490,500	\$ -	\$ -	\$ 4,490,500
Non-major Governmental	-	42,454	-	42,454
Water	-	-	194,002	194,002
Total Due From	\$ 4,490,500	\$ 42,454	\$ 194,002	\$ 4,726,956

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

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

(continued on next page)

NOTE 8 – CAPITAL ASSETS

Governmental activities	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 157,742,436	\$ 2,086,961	\$ -	\$ (382)	\$ 159,829,015
Construction in progress	29,765,448	7,369,763	(26,690,410)	(627,824)	9,816,977
Total capital assets, not being depreciated	187,507,884	9,456,724	(26,690,410)	(628,206)	169,645,992
Capital assets, being depreciated:					
Buildings	29,599,189	4,001,981	22,976,576	-	56,577,746
Infrastructure	270,358,040	7,519,249	3,592,884	-	281,470,173
Machinery and equipment	22,838,166	1,323,651	120,950	(899,126)	23,383,641
Total capital assets being depreciated	322,795,395	12,844,881	26,690,410	(899,126)	361,431,560
Less accumulated depreciation for:					
Buildings	(11,814,893)	(1,333,796)	-	-	(13,148,689)
Infrastructure	(156,120,053)	(7,532,182)	-	-	(163,652,235)
Machinery and equipment	(16,353,945)	(2,661,742)	-	905,255	(18,110,432)
Total accumulated depreciation	(184,288,891)	(11,527,720)	-	905,255	(194,911,356)
Total capital assets, being depreciated, net	138,506,504	1,317,161	26,690,410	6,129	166,520,204
Governmental activities capital assets, net	\$ 326,014,388	\$ 10,773,885	\$ -	\$ (622,077)	\$ 336,166,196
Business-type activities	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 4,498,262	\$ 542,041	\$ 1,923,021	\$ -	\$ 6,963,324
Construction in progress	20,776,276	6,411,107	(11,218,743)	(649,056)	15,319,584
Intangibles	24,105,627	2,212,338	-	-	26,317,965
Total capital assets, not being depreciated	49,380,165	9,165,486	(9,295,722)	(649,056)	48,600,873
Capital assets, being depreciated:					
Buildings	321,357	-	-	-	321,357
Infrastructure	228,663,845	8,921,323	9,295,722	-	246,880,890
Machinery and equipment	2,132,117	38,309	-	-	2,170,426
Total capital assets being depreciated	231,117,319	8,959,632	9,295,722	-	249,372,673
Less accumulated depreciation for:					
Buildings	(242,142)	(5,692)	-	-	(247,834)
Infrastructure	(76,283,104)	(4,918,400)	-	-	(81,201,504)
Machinery and equipment	(2,119,003)	(16,048)	-	-	(2,135,051)
Total accumulated depreciation and amortization	(78,644,249)	(4,940,140)	-	-	(83,584,389)
Total capital assets, being depreciated, net	152,473,070	4,019,492	9,295,722	-	165,788,284
Business-type activities capital assets, net	\$ 201,853,235	\$ 13,184,978	\$ -	\$ (649,056)	\$ 214,389,157



NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 398,828
Community development	55,008
Public safety	850,711
Highways and public improvements	8,163,470
Parks, recreation and culture	2,059,703
Total depreciation expenditure	<u>\$ 11,527,720</u>
Business-type activities	
Water	\$ 2,571,736
Wastewater	1,207,771
Storm Water	1,160,633
Total depreciation expense	<u>\$ 4,940,140</u>

NOTE 9 – INTANGIBLE ASSETS

The City reports both water shares and capacity (or use) rights as intangible assets. As of June 30, 2019, the City owned \$283,731 in water shares.

A. South Valley Water Reclamation Facility

South Valley Water Reclamation Facility (SVWRF) was created by an Interlocal Cooperative Agreement dated June 23, 1978 for the purpose of developing, acquiring, constructing, financing, maintaining, repairing, and operating a regional sewage and water treatment plant and related facilities located in the south part of Salt Lake County. On M20, 2004, the Interlocal Agreement was amended for the purpose of converting SVWRF to a separate legal entity (a special district under State law rather than a joint administrative entity) and to clarify ownership status, facilitate transfers of ownership, and clarify capacity rights. The City uses the cost method rather than the equity method for reporting purposes.

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

The following entities have capacity rights as of December 31, 2018.

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

NOTE 9 – INTANGIBLE ASSETS (continued)

Each entity appoints one member to the Board. Voting power is not related to ownership, therefore, each entity is equal to another for voting privileges. Each entity is billed its share of operating costs based on the entity's metered usage. The City paid operating costs of \$4,991,206 and capital contributions of \$2,212,339 to SVWRF for the fiscal year ended July 30, 2019. The City annually assessed whether an impairment of the intangible has occurred. Impairment would occur if SVWRF could not provide the capacity the City has a right to receive.

NOTE 10 – INVESTMENTS IN JOINT VENTURES

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

A. Trans-Jordan Cities

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

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

As of June 30, 2019, the City has a 21.51 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City's equity in the net resources of the Association at June 30, 2019, is reported in the government-wide statement of net position.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$ 688,640 for fiscal year 2019.

(continued on next page)

NOTE 11 – INTERLOCAL AGREEMENTS

A. Valley Emergency Communications Center

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

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

Separate audited financial statements for VECC may be obtained from:

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

B. Drug Enforcement Administration - Metro Task Force

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

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

(continued on next page)



NOTE 12 – CAPITAL LEASES

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Series 2013	\$ 51,817	\$ -	\$ (51,817)	\$ -	\$ -
Series 2014-A	330,056	-	(163,108)	166,948	166,402
Series 2014-B	270,390	-	(88,360)	182,030	90,118
Series 2015	724,942	-	(175,967)	548,975	179,434
Series 2017	1,740,943	-	(424,184)	1,316,759	431,055
Series 2018	1,433,614	-	(165,641)	1,267,973	170,462
Series 2019	-	434,894	(67,561)	367,333	56,946
Total	\$ 4,551,762	\$ 434,894	\$ (1,136,638)	\$ 3,850,018	\$ 1,094,417

The assets acquired through capital leases are as follows:

A. Series 2013 Capital Lease

Purpose: Sewer Vactor Truck
 Date of issuance: May 31, 2013
 Term: 5 years
 Interest rate: 2.37%
 Original issuance: \$346,498
 Issuer: US Bank

Debt service requirements, including interest: None, final payment in fiscal year 2019

B. Series 2014-A Capital Lease

Purpose: Six (6) trucks
 Date of issuance: February 28, 2014
 Term: 5 years
 Interest rate: 1.66% - 2.02%
 Original issuance: \$1,125,000
 Issuer: SunTrust

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 166,402	\$ 3,361	\$ 169,763
2021	546	-	546
	\$ 166,948	\$ 3,361	\$ 170,309

NOTE 12 – CAPITAL LEASES (continued)

C. Series 2014-B Capital Lease

Purpose: Three (3) trucks
 Date of issuance: December 15, 2014
 Term: 5 years
 Interest rate: 1.99%
 Original issuance: \$619,000
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 90,118	\$ 3,622	\$ 93,740
2021	91,912	1,829	93,741
	<u>\$ 182,030</u>	<u>\$ 5,451</u>	<u>\$ 187,481</u>

D. Series 2015 Capital Lease

Purpose: Two (2) street sweepers, one (1) bobtail, two (2) ambulances, and one (1) 10-wheel truck
 Date of issuance: December 3, 2015
 Term: 5 years
 Interest rate: 1.97%
 Original issuance: \$1,256,991
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 179,434	\$ 10,815	\$ 190,249
2021	182,968	7,280	190,248
2022	186,573	3,675	190,248
	<u>\$ 548,975</u>	<u>\$ 21,770</u>	<u>\$ 570,745</u>

E. Series 2017 Capital Lease

Purpose: Two (2) ambulances, three (3) 10-wheel trucks, one (1) street sweeper, one (1) Vactor truck, one (1) SWAT truck, one (1) excavator
 Date of issuance: November 16, 2017
 Term: 5 years
 Interest rate: 1.87%
 Original issuance: \$2,196,725
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 431,055	\$ 24,623	\$ 455,678
2021	438,728	16,563	455,291
2022	446,976	8,358	455,334
	<u>\$ 1,316,759</u>	<u>\$ 49,544</u>	<u>\$ 1,366,303</u>



NOTE 12 – CAPITAL LEASES (continued)

F. Series 2018 Capital Lease

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

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 170,462	\$ 36,898	\$ 207,360
2021	175,422	31,938	207,360
2022	180,527	26,833	207,360
2023	185,780	21,579	207,359
2024	191,186	16,173	207,359
2025	118,063	10,610	128,673
2026	121,499	7,174	128,673
2027	125,034	3,638	128,672
	<u>\$ 1,267,973</u>	<u>\$ 154,843</u>	<u>\$ 1,422,816</u>

G. Series 2019 Capital Lease

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

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 56,946	\$ 10,615	\$ 67,561
2021	58,592	8,969	67,561
2022	60,285	7,276	67,561
2023	62,027	5,534	67,561
2024	63,819	3,742	67,561
2025	65,664	1,897	67,561
	<u>\$ 367,333</u>	<u>\$ 38,033</u>	<u>\$ 405,366</u>



NOTE 13 – LONG TERM DEBT

The City has outstanding lease revenue bonds and notes from direct borrowings and direct placements related to governmental activities totaling \$24,240,000 and \$11,781,000, respectively, and notes from direct borrowings related to business-type activities totaling \$15,855,000.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Lease revenue bonds:					
Series 2016	\$ 24,960,000	\$ -	\$ (720,000)	\$ 24,240,000	\$ 745,000
Notes from direct borrowings and direct placements:					
Series 2014	4,785,000	-	(645,000)	4,140,000	655,000
Series 2008	2,571,000	-	(755,000)	1,816,000	815,000
Series 2013	2,090,000	-	(325,000)	1,765,000	335,000
Series 2015	4,695,000	-	(635,000)	4,060,000	645,000
	<u>\$ 39,101,000</u>	<u>\$ -</u>	<u>\$ (3,080,000)</u>	<u>\$ 36,021,000</u>	<u>\$ 3,195,000</u>
Business-type activities					
Notes from direct borrowings and direct placements:					
Series 2013	\$ 3,700,000	\$ -	\$ (710,000)	\$ 2,990,000	\$ 725,000
Series 2016	5,330,000	-	(625,000)	4,705,000	635,000
Series 2017	9,080,000	-	(920,000)	8,160,000	940,000
	<u>\$ 18,110,000</u>	<u>\$ -</u>	<u>\$ (2,255,000)</u>	<u>\$ 15,855,000</u>	<u>\$ 2,300,000</u>

Debt service requirements on long-term debt at June 30, 2019 are as follows:

Year ending June 30	Governmental Activities				Business-type Activities	
	Bonds		Notes from Direct Borrowings and Direct Placements		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 745,000	\$ 1,105,450	\$ 2,450,000	\$ 288,633	\$ 2,300,000	\$ 340,186
2021	775,000	1,075,050	2,580,000	220,980	2,350,000	290,832
2022	805,000	1,043,450	1,806,000	146,877	2,400,000	240,390
2023	845,000	1,006,225	1,735,000	106,517	2,450,000	188,880
2024	885,000	962,975	1,775,000	67,996	1,715,000	136,284
2025-2029	5,165,000	4,084,875	1,435,000	30,647	1,755,000	99,888
2030-2034	6,640,000	2,616,000	-	-	1,785,000	62,640
2035-2039	8,380,000	872,900	-	-	1,100,000	24,750
	<u>\$ 24,240,000</u>	<u>\$ 12,766,925</u>	<u>\$ 11,781,000</u>	<u>\$ 861,650</u>	<u>\$ 15,855,000</u>	<u>\$ 1,383,850</u>

Collateral

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

Events of Default

The outstanding lease revenue bonds related to governmental activities of \$24,240,000 contain a provision that in an event of default, the building becomes the asset of the Trustee and may be sub-leased and/or sold for the repayment of the outstanding amounts.



NOTE 13 – LONG TERM DEBT (continued)

Events of Default (continued)

The City’s outstanding bonds from direct borrowings and direct placements related to governmental activities of \$11,781,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment or to enforce any obligations including the right to require the City to make monthly deposits to the bond fund.

The City’s outstanding bonds from direct borrowings and direct placements related to business-type activities of \$15,855,000 contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 120 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts become due immediately. The City’s outstanding bonds from direct borrowings and direct placements related to business-type activities of \$15,855,000 contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the trustee determines that a material adverse change occurs.

A. Series 2008 Special Assessment Revenue Bonds

Type: Direct Placement
 Purpose: Public improvements within RDA area (KraftMaid)
 Date of issuance: January 29, 2008
 Term: 15 years
 Interest rate: 4.45%
 Original issuance: \$4,497,000

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 815,000	\$ 80,812	\$ 895,812
2021	905,000	44,544	949,544
2022	96,000	4,272	100,272
	<u>\$ 1,816,000</u>	<u>\$ 129,628</u>	<u>\$ 1,945,628</u>

B. Series 2013 Sales Tax Revenue Bonds

Type: Direct Placement
 Purpose: Construction of Fire Station #54
 Date of issuance: December 20, 2013
 Term: 10 years
 Interest rate: 2.29%
 Original issuance: \$3,335,000

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 335,000	\$ 36,583	\$ 371,583
2021	345,000	28,797	373,797
2022	355,000	20,782	375,782
2023	360,000	12,596	372,596
2024	370,000	4,237	374,237
	<u>\$ 1,765,000</u>	<u>\$ 102,995</u>	<u>\$ 1,867,995</u>



NOTE 13 – LONG TERM DEBT (continued)

C. Series 2014 General Obligation Refunding Bonds

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

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 655,000	\$ 101,720	\$ 756,720
2021	670,000	90,258	760,258
2022	680,000	76,858	756,858
2023	695,000	61,558	756,558
2024	710,000	44,184	754,184
2025	730,000	24,090	754,090
	<u>\$ 4,140,000</u>	<u>\$ 398,668</u>	<u>\$ 4,538,668</u>

D. Series 2015 Sales Tax Revenue Bonds

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

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 645,000	\$ 69,518	\$ 714,518
2021	660,000	57,381	717,381
2022	675,000	44,966	719,966
2023	680,000	32,364	712,364
2024	695,000	19,577	714,577
2025	705,000	6,557	711,557
	<u>\$ 4,060,000</u>	<u>\$ 230,363</u>	<u>\$ 4,290,363</u>



NOTE 13 – LONG TERM DEBT (continued)

E. Series 2016 Municipal Building Authority Lease Revenue Bonds

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

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 745,000	\$ 1,105,450	\$ 1,850,450
2021	775,000	1,075,050	1,850,050
2022	805,000	1,043,450	1,848,450
2023	845,000	1,006,225	1,851,225
2024	885,000	962,975	1,847,975
2025-2029	5,165,000	4,084,875	9,249,875
2030-2034	6,640,000	2,616,000	9,256,000
2035-2039	8,380,000	872,900	9,252,900
	<u>\$ 24,240,000</u>	<u>\$ 12,766,925</u>	<u>\$ 37,006,925</u>

F. Series 2013 Water Revenue Bonds

Type: Direct Placement
 Purpose: Construction of the water storage
 Date of issuance: November 19, 2013
 Term: 10 years
 Interest rate: 2.20%
 Original issuance: \$6,045,000

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 725,000	\$ 65,780	\$ 790,780
2021	740,000	49,830	789,830
2022	755,000	33,550	788,550
2023	770,000	16,940	786,940
	<u>\$ 2,990,000</u>	<u>\$ 166,100</u>	<u>\$ 3,156,100</u>



NOTE 13 – LONG TERM DEBT (continued)

G. Series 2016 Storm Drain Revenue Bonds

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

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 635,000	\$ 90,806	\$ 725,806
2021	645,000	78,552	723,552
2022	660,000	66,102	726,102
2023	670,000	53,364	723,364
2024	685,000	40,434	725,434
2025-2027	1,410,000	40,916	1,450,916
	<u>\$ 4,705,000</u>	<u>\$ 370,174</u>	<u>\$ 5,075,174</u>

H. Series 2017 Water Revenue Bonds

Type: Direct Placement
 Purpose: Construction of the water storage
 Date of issuance: August 9, 2017
 Term: 10 years
 Interest rate: 2.25%
 Original issuance: \$10,025,000

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2020	\$ 940,000	\$ 183,600	\$ 1,123,600
2021	965,000	162,450	1,127,450
2022	985,000	140,738	1,125,738
2023	1,010,000	118,576	1,128,576
2024	1,030,000	95,850	1,125,850
2025-2027	3,230,000	146,364	3,376,364
	<u>\$ 8,160,000</u>	<u>\$ 847,578</u>	<u>\$ 9,007,578</u>



NOTE 14 – OTHER LONG-TERM LIABILITIES

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

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

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Unamortized bond premium	\$ 2,140,286	\$ -	\$ (491,443)	\$ 1,648,843	\$ -
Compensated absences	6,814,445	5,735,272	(5,438,717)	7,111,000	2,901,156
Total	\$ 8,954,731	\$ 5,735,272	\$ (5,930,160)	\$ 8,759,843	\$ 2,901,156
Business-type activities					
Compensated absences	\$ 267,164	\$ 402,690	\$ (373,831)	\$ 296,023	\$ 136,069
Total	\$ 267,164	\$ 402,690	\$ (373,831)	\$ 296,023	\$ 136,069

NOTE 15 – RISK MANAGEMENT

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

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

The City is also self-insured for unemployment.

NOTE 16 – CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent Liabilities

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

Legal. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s counsel the resolution of these matters will not have a materially adverse effect on the financial condition of the City.



NOTE 16 – CONTINGENT LIABILITIES AND COMMITMENTS (continued)

B. Commitments

Construction and equipment acquisition contracts. The City had active contract commitments on the following projects as of June 30, 2019.

Project type	Remaining commitment
Public safety	\$ 1,461,396
Highways and public improvements	11,577,318
Parks, recreation and culture	1,591,075
Water	3,543,698
Sewer	564,850
Storm water	60,588
	<u>\$18,798,925</u>

Developer Reimbursements. The City routinely enters into agreements with developers to reimburse costs of installing public improvements constructed within the City. Terms of the agreement require the City to repay the developers' costs when sufficient impact fee revenues are collected. The impact fees collected must be in excess of funds needed for current projects before repayment to the developers is required. If sufficient impact fee revenues are not received, the City has no obligation to repay the costs. As of year-end, the City has unpaid developer reimbursement agreements in the amount of \$363,425.

	Governmental Activities	Business-type activities
Roads	\$ 131,444	\$ -
Storm drain	-	231,981
	<u>\$ 131,444</u>	<u>\$ 231,981</u>

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

SVWRF has also begun the construction of plant enhancements to comply with new federal standards. The cost of these enhancements has been funded with debt.

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

Year ending June 30	Principal	Interest
2020	\$ 1,883,630	\$ 935,418
2021	1,957,089	873,155
2022	2,008,341	804,423
2023	2,096,242	720,852
2024	2,193,902	624,638
2025-2029	11,346,456	1,606,678
2030-2032	3,189,546	108,282
	<u>\$ 24,675,206</u>	<u>\$ 5,673,446</u>



NOTE 17 – CONDUIT DEBT OBLIGATIONS

In 2004, the City issued Industrial Revenue Bonds in the amount of \$21,322,500 with a term of 20 years to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. The amount outstanding could not be determined. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE 18 – REDEVELOPMENT AGENCY

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

The following areas are active within the Agency:

RDA Area 1	Town Center	6600-7000 S Redwood
RDA Area 2	Industrial Park	1100-1500 W 7800-8000 South
RDA Area 3	Southwire	3200-3600 W 8600 South
RDA Area 4	Spratling	1300-1700 W 9000 South
RDA Area 5	Downtown	1900 W 7600-7900 South
RDA Area 6	Briarwood	1500-1825 W 7700-8200 South
EDA Area 2	KraftMaid	10026 S Prosperity Rd
EDA Area 3	Data Center	6200 W 10120 South
CDA Area 1	Jordan Valley Station	3295 W 9000 South

A. Tax Increment

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

RDA Area 1	\$ 306,546
RDA Area 2	121,121
RDA Area 3	19,650
RDA Area 4	352,399
RDA Area 5	246,476
RDA Area 6	64,160
EDA Area 2	1,408,351
EDA Area 3	1,176,399
CDA Area 1	326,854
	<u>4,021,956</u>
Interest earnings	349,017
Total	<u>\$ 4,370,973</u>

B. Redevelopment Activity

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

Administrative costs	\$ 179,534
Principal	755,000
Interest	114,410
Redevelopment activity	<u>1,267,948</u>
Total	<u>\$ 2,316,892</u>

NOTE 18 – REDEVELOPMENT AGENCY (continued)

C. Obligations

In 2008, the Agency issued a tax increment revenue bond in the amount of \$4,497,000 to finance infrastructure within the KraftMaid economic development area. The bonds are payable solely from the incremental property tax generated by the increased property tax in the area. Incremental property taxes were projected to produce 140% of the debt service requirements over the life of the bonds. The principal and interest remaining on the bonds is \$1,945,629 payable through fiscal year 2022. In the current year, principal and interest paid was \$755,000 and \$114,410, respectively. Total incremental property tax revenues were \$1,408,351 (162% of debt service).

NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

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

A. Defined Benefit Plans

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

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

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

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

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

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

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



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

A. Defined Benefit Plans (continued)

Summary of Benefits by System

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age	2.0% per year all years	Up to 4%
		25 years any age*		
		20 years age 60*		
		10 years age 62*		
Contributory System	Highest 5 years	4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
		30 years any age		
		25 years any age*		
		20 years age 60*		
Public Safety System	Highest 3 years	10 years age 62*	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
		4 years age 65		
		20 years any age		
Tier 2 Public Employees System	Highest 5 years	10 years age 60	1.50% per year all years	Up to 2.5%
		4 years age 65		
		35 years any age		
		20 years age 60*		
Tier 2 Public Safety and Firefighter System	Highest 5 years	10 years age 62*	1.50% per year all years	Up to 2.5%
		4 years age 65		
		25 years any age		
		20 years age 60*		

* Actuarial reductions are applied.

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

(continued on next page)



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

A. Defined Benefit Plans (continued)

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
11 - Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	15.54%	1.15%
Noncontributory System				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Contributory System				
122 - Tier 2 DB Hybrid Public Safety	N/A	N/A	21.00%	0.74%
Public Safety Noncontributory System				
49 - Other Division B 2.5% COLA	N/A	N/A	32.28%	N/A
Firefighters System				
32 - Division B Tier 1	N/A	16.71%	7.24%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	N/A	11.34%	0.74%
Tier 2 DC Only				
211 - Local Government	N/A	N/A	6.69%	10.00%
222 - Public Safety	N/A	N/A	9.74%	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 1 plans.

For fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,890,765	NA
Contributory System	9,321	3,868
Public Safety System	1,745,659	-
Firefighters System	336,248	776,063
Tier 2 Public Employees System	709,417	-
Tier 2 Public Safety and Firefighter System	514,525	-
Tier 2 DC Only System	50,725	NA
Tier 2 DC Public Safety and Firefighter System	24,387	NA
Total contributions	\$ 5,281,047	\$ 779,931

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



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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City reported a net pension asset of \$ 0 and a net pension liability of \$19,026,363.

System	Measurement Date: December 31, 2018			Proportionate Share December 31, 2017	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 9,181,272	1.2468246%	1.2650118%	-0.0181872%
Contributory System	-	137,656	0.3392182%	0.3055995%	-0.0336187%
Public Safety System	-	7,229,314	9.1743034%	9.3454120%	-0.1711086%
Firefighters System	-	2,276,167	5.6319581%	5.7776911%	-0.1457330%
Tier 2 Public Employees System	-	155,551	0.3632005%	0.3450485%	-0.0181520%
Tier 2 Public Safety and Firefighter System	-	46,403	1.8520053%	1.5516803%	-0.3003250%
	<u>\$ -</u>	<u>\$ 19,026,363</u>			

The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, the City recognized a pension expense of \$6,198,493.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 2,768,770	\$ 1,077,163
Changes in assumptions	4,304,445	355,021
Net difference between projected and actual earnings on pension plan investments	5,123,612	-
Changes in proportion and differences between contributions and proportionate share of contributions	386,772	140,566
Contributions subsequent to the measurement date	2,645,157	-
	<u>\$ 15,228,756</u>	<u>\$ 1,572,750</u>

Deferred outflows of resources related to pensions of \$2,645,156 results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.



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

A. Defined Benefit Plans (continued)

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

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 4,072,242
2020	2,370,399
2021	1,865,519
2022	2,605,919
2023	6,743
Thereafter	90,027

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

At June 30, 2019, the City recognized pension expense of \$2,604,205.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 118,084	\$ 171,240
Changes in assumptions	1,229,936	-
Net difference between projected and actual earnings on pension plan investments	1,910,519	-
Changes in proportion and differences between contributions and proportionate share of contributions	141,611	99,523
Contributions subsequent to the measurement date	948,220	-
	<u>\$ 4,348,370</u>	<u>\$ 270,763</u>

Deferred outflows of resources related to pensions of \$948,220 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 1,413,679
2020	585,201
2021	225,299
2022	905,208
2023	-
Thereafter	-



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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City recognized a pension expense of \$36,820.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	45,240	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	4,660	-
	\$ 49,900	\$ -

Deferred outflows of resources related to pensions of \$4,660 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 17,920
2020	1,062
2021	4,538
2022	21,720
2023	-
Thereafter	-

(continued on next page)



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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City recognized pension expense of \$2,377,422.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 2,628,272	\$ -
Changes in assumptions	1,492,604	110,870
Net difference between projected and actual earnings on pension plan investments	1,338,445	-
Changes in proportion and differences between contributions and proportionate share of contributions	142,528	41,043
Contributions subsequent to the measurement date	846,652	-
	\$ 6,448,501	\$ 151,913

Deferred outflows of resources related to pensions of \$846,652 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 1,977,739
2020	1,623,247
2021	1,127,322
2022	721,628
2023	-
Thereafter	-

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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City recognized pension expense of \$507,387.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ -	\$ 973,714
Changes in assumptions	1,498,769	239,654
Net difference between projected and actual earnings on pension plan investments	1,746,049	-
Changes in proportion and differences between contributions and proportionate share of contributions	30,222	-
Contributions subsequent to the measurement date	168,554	-
	<u>\$ 3,443,594</u>	<u>\$ 1,113,368</u>

Deferred outflows of resources related to pensions of \$168,554 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 631,637
2020	136,946
2021	482,457
2022	914,135
2023	(3,504)
Thereafter	-

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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City recognized pension expense of \$402,217.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 1,092	\$ 32,149
Changes in assumptions	38,988	2,795
Net difference between projected and actual earnings on pension plan investments	50,654	-
Changes in proportion and differences between contributions and proportionate share of contributions	50,172	-
Contributions subsequent to the measurement date	386,096	-
	\$ 527,002	\$ 39,944

Deferred outflows of resources related to pensions of \$386,096 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 17,791
2020	13,008
2021	14,230
2022	24,959
2023	4,834
Thereafter	31,138

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

A. Defined Benefit Plans (continued)

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

At June 30, 2019, the City recognized pension expense of \$270,442.

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 21,322	\$ 60
Changes in assumptions	44,148	1,702
Net difference between projected and actual earnings on pension plan investments	32,705	-
Changes in proportion and differences between contributions and proportionate share of contributions	22,238	-
Contributions subsequent to the measurement date	290,974	-
	\$ 411,387	\$ 1,762

Deferred outflows of resources related to pensions of \$290,974 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	\$ 13,476
2020	10,934
2021	11,673
2022	18,268
2023	5,412
Thereafter	58,889

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

A. Defined Benefit Plans (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.25 - 9.75 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, 2018 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetical real rates of return for each major asset class are summarized in the following table.

Asset Class	Expected Return Arithmetic Basis		
	Target asset allocation	Real return arithmetical basis	Long-term expected portfolio real rate of return
Equity securities	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 equivalents	0.00%	0.00%	0.00%
Total	100.00%		4.75%
Inflation			2.50%
Expected arithmetical nominal return			7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return rate of 4.45% 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 remains unchanged at 6.95 percent.



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

A. Defined Benefit Plans (continued)

Actuarial Assumptions (continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:
 The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 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:

	1% decrease (5.95%)	Discount rate (6.95%)	1% increase (7.95%)
Noncontributory System	\$ 18,816,651	\$ 9,181,272	\$ 1,157,546
Contributory System	292,221	137,656	7,544
Public Safety System	14,695,909	7,229,314	1,139,203
Firefighters System	10,242,989	2,276,167	(4,276,358)
Tier 2 Public Employees System	623,167	155,551	(205,332)
Tier 2 Public Safety and Firefighter System	350,000	46,403	(185,925)
	\$ 45,020,937	\$ 19,026,363	\$ (2,363,322)

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

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

B. Defined Contribution Savings Plan

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

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

- 401(k) plan
- 457(b) plan

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

	FY 2017	FY 2018	FY 2019
401 (k) Plan			
Employer contributions	\$ 289,687	\$ 964,321	\$ 275,388
Employee contributions	50,547	12,141	8,895
457 Plan			
Employer contributions	83,369	75,948	73,318
Employee contributions	18,545	23,336	27,574



NOTE 20 – DEFERRED COMPENSATION

A. Deferred Compensation Plan (457)

The City offers its employees a deferred compensation plan (the plan) through ICMA Retirement Corporation or through the Utah Retirement Systems (URS) created in accordance with Internal Revenue Code (IRC) Section 457. The ICMA plan, available to all City employees, permits the deferral of a portion of salary until future years. Participation in this plan is optional. The URS plan is only available to part-time employees on a noncontributory basis. Both investment plans are managed by the plans’ trustee under one of four investment options or a combination thereof. The choice of investment options are made by the participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. These investments are within the legal provisions of the State of Utah.

B. Defined Contribution Money Purchase Plan

The City Also participates in insured, contributory defined contribution retirement plans administered by ICMA Retirement Corporation. Under the plan, the City contributes amounts from 9% to 32.2% depending upon the defined contribution system to which each employee class belongs. Employees are classified as management, general employee, police, or fire.

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

C. Sick Leave Conversion Benefit

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

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

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

The City’s regular health and dental care benefit providers underwrite the retiree policies and 100% of the cost is the responsibility of the retiree. As of year-end, there were ten (10) employees participating in this program.

In the governmental funds, the liability for sick leave conversion is reported only if they have matured, (i.e., unused sick leave has been converted to pay a health insurance premium for a retired employee). These conversion costs are typically liquidated through the General Fund. The noncurrent portion of these amounts for government funds is recognized within the government-wide statements. A liability for the sick leave conversion has been accrued in the amount of \$2,170,095 in governmental activities, and \$110,612 in business-type activities for a total accrual amount of \$2,280,707.



NOTE 21 – FUND BALANCE

Financial statement fund balance category details are as follows:

Fund Type	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Nonspendable					
Prepays	\$ 482,135	\$ -	\$ -	\$ -	\$ 482,135
Long-term housing assistance	-	-	-	644,116	644,116
Restricted					
Debt service	-	-	919,725	1,401,351	2,321,076
Impact fees	-	-	11,146,894	-	11,146,894
State funds	-	-	7,178,415	-	7,178,415
Federal funds	-	-	-	165,802	165,802
Assigned					
Redevelopment	-	11,905,994	-	-	11,905,994
Federal funds	-	-	-	58,416	58,416
Limited purpose fund	-	-	-	2,092,400	2,092,400
Community center	-	-	6,000,000	-	6,000,000
Capital projects	-	-	2,058,683	-	2,058,683
Unassigned	12,053,120	-	(4,855,391)	(8,199)	7,189,530
	<u>\$12,535,255</u>	<u>\$11,905,994</u>	<u>\$22,448,326</u>	<u>\$4,353,886</u>	<u>\$51,243,461</u>

NOTE 22 – RECENT ACCOUNTING PRONOUNCEMENTS

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The statement is meant to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Statement 88 is effective for fiscal years beginning after June 15, 2018 and early adoption is encouraged. The City has implemented this Statement effective June 30, 2019.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The statement is meant to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period as well as to simplify accounting for interest cost incurred before the end of a construction period. Statement 89 is effective for fiscal years beginning after December 15, 2019 and early adoption is encouraged. The City is currently evaluating the impact of this statement on the financial statements when implemented.

NOTE 23 – SUBSEQUENT EVENTS

On August 1, 2019, the Redevelopment Agency of West Jordan acquired 30.10 acres of vacant real property located at 8872 South and 8990 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) years with the first payment of \$2.5 million paid at closing and subsequent payments of \$2.25 million on January 31, 2020 and January 29, 2021.

On August 22, 2019, the City issued a Capital lease in the amount of \$912,311 for the purchase of a fire truck. The lease has a term of 10 years and annual payments of \$121,231 for fiscal years 2020-2024 and \$77,847 for fiscal years 2025-2029 with an interest rate of 2.28%.

REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2019



Public works crews in action in Veteran's Memorial Park 2019



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Sales tax	\$ 19,099,320	\$ 19,099,320	\$ 19,841,574	\$ 742,254
Property tax	13,545,036	15,743,922	16,721,767	977,845
Franchise tax	8,094,000	8,094,000	7,456,661	(637,339)
Licenses and permits	3,057,500	3,057,500	2,725,046	(332,454)
Intergovernmental	1,104,652	1,224,009	1,869,697	645,688
Charges for services	3,617,570	3,617,570	3,673,039	55,469
Fines and forfeitures	1,400,000	1,400,000	1,142,819	(257,181)
Miscellaneous	520,900	532,717	669,352	136,635
Investment income	57,000	57,000	303,753	246,753
Total revenues	50,495,978	52,826,038	54,403,708	1,577,670
EXPENDITURES				
General government				
Legislative services	309,547	309,547	284,517	(25,030)
Administrative services	666,681	666,681	456,318	(210,363)
Communications	755,998	755,998	700,708	(55,290)
Facilities management	1,380,137	1,408,537	1,579,051	170,514
Finance	660,972	662,784	613,873	(48,911)
Human resources	484,676	496,668	449,857	(46,811)
Information technologies	1,732,396	1,736,261	1,572,221	(164,040)
Justice court	848,801	848,801	815,098	(33,703)
Legal services	1,692,144	1,826,258	1,444,716	(381,542)
Non-departmental	1,050,244	1,050,244	1,010,514	(39,730)
Records management	285,763	285,763	272,518	(13,245)
Total general government	9,867,359	10,047,542	9,199,390	(848,152)
Community development				
Boards and commissions	11,300	11,300	5,724	(5,576)
Community preservation	600,381	600,381	511,295	(89,086)
Development services	2,045,011	2,045,011	1,993,560	(51,451)
Economic development	561,700	561,700	384,376	(177,324)
Total community development	3,218,392	3,218,392	2,894,955	(323,437)
Public safety				
Fire department	11,285,084	12,035,540	11,785,590	(249,950)
Police department	20,024,328	21,200,273	19,989,681	(1,210,592)
Total public safety	31,309,412	33,235,813	31,775,271	(1,460,542)
Highways and public improvements				
Public works administration	1,065,234	1,065,234	949,423	(115,811)
Engineering	1,023,237	1,023,237	803,149	(220,088)
GIS	456,026	456,026	308,727	(147,299)
Streets and highways	2,900,870	2,900,870	2,611,498	(289,372)
Total highways and public improvements	5,445,367	5,445,367	4,672,797	(772,570)
Parks, recreation, and culture				
Parks and recreation	3,886,332	4,258,332	3,689,292	(569,040)
Cemetery	141,368	141,368	131,621	(9,747)
Total parks, recreation, and culture	4,027,700	4,399,700	3,820,913	(578,787)
Debt service				
Principal	34,608	34,608	-	(34,608)
Interest and fiscal charges	-	-	-	-
Total debt service	34,608	34,608	-	(34,608)
Total expenditures	53,902,838	56,381,422	52,363,326	(4,018,096)
Excess (deficiency) of revenues over (under) expenditures	(3,406,860)	(3,555,384)	2,040,382	5,595,766
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(800,000)	(800,000)	(1,107,850)	(307,850)
Net other financing sources (uses)	(800,000)	(800,000)	(1,107,850)	(307,850)
Net change in fund balance	\$ (4,206,860)	\$ (4,355,384)	932,532	\$ 5,287,916
Fund balance at beginning of year			11,602,723	
Fund balance at end of year			\$ 12,535,255	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Sales tax	\$ 1,092,062	\$ 1,092,062	\$ 1,092,062	\$ -
Property tax	759,896	759,896	-	(759,896)
Impact fees	2,998,000	2,998,000	3,206,853	208,853
Intergovernmental	6,000,000	6,000,000	3,032,497	(2,967,503)
Miscellaneous	-	-	41,807	41,807
Investment income	91,300	91,300	551,299	459,999
Total revenues	<u>10,941,258</u>	<u>10,941,258</u>	<u>7,924,518</u>	<u>(3,016,740)</u>
EXPENDITURES				
Highways and public improvements	16,113,233	23,449,959	10,060,073	(13,389,886)
Parks, recreation, and culture	7,085,437	10,911,751	1,073,117	(9,838,634)
Debt service				
Principal	1,605,000	1,605,000	1,605,000	-
Interest and fiscal charges	246,958	246,958	238,557	(8,401)
Total expenditures	<u>25,050,628</u>	<u>36,213,668</u>	<u>12,976,747</u>	<u>(23,236,921)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,109,370)</u>	<u>(25,272,410)</u>	<u>(5,052,229)</u>	<u>20,220,181</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	176,600	176,600
Transfers in	5,000,000	5,000,000	7,531,341	2,531,341
Transfers out	(1,000,000)	(1,000,000)	-	1,000,000
Net other financing sources (uses)	<u>4,000,000</u>	<u>4,000,000</u>	<u>7,707,941</u>	<u>3,707,941</u>
Net change in fund balance	<u>\$ (10,109,370)</u>	<u>\$ (21,272,410)</u>	<u>2,655,712</u>	<u>\$ 23,928,122</u>
Fund balance at beginning of year			<u>19,792,614</u>	
Fund balance at end of year			<u>\$ 22,448,326</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Tax increment	\$ 4,947,143	\$ 4,947,143	\$ 4,021,956	\$ (925,187)
Miscellaneous	-	-	5,000	5,000
Investment income	-	-	344,017	344,017
Total revenues	4,947,143	4,947,143	4,370,973	(576,170)
EXPENDITURES				
Community development	2,994,108	3,835,322	1,445,982	(2,389,340)
Total expenditures	2,994,108	3,835,322	1,445,982	(2,389,340)
Excess (deficiency) of revenues over (under) expenditures	1,953,035	1,111,821	2,924,991	1,813,170
OTHER FINANCING SOURCES (USES)				
Transfers in	-	50,000	-	(50,000)
Transfers out	(870,910)	(870,910)	(870,910)	-
Net other financing sources (uses)	(870,910)	(820,910)	(870,910)	(50,000)
Net change in fund balance	\$ 1,082,125	\$ 290,911	2,054,081	\$ 1,763,170
Fund balance at beginning of year			9,851,913	
Fund balance at end of year			\$ 11,905,994	



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

Description	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)						
2014	1.7011000%	0.3240027%	8.2965555%	4.9048915%	0.2024813%	2.6819950%
2015	1.2273040%	0.4138862%	9.7373100%	5.4646755%	0.2704988%	2.0154316%
2016	1.2119729%	0.2825332%	9.4109506%	5.5464135%	0.2948270%	1.5682947%
2017	1.2650118%	0.3055995%	9.3454120%	5.7776911%	0.3450485%	1.5516803%
2018	1.2468246%	0.3392182%	9.1743034%	5.6319581%	0.3632005%	1.8520053%
Proportionate share of the net pension liability (asset)						
2014	\$ 5,080,893	\$ 93,456	\$ 3,280,729	\$ (539,772)	\$ (6,136)	\$ (30,595)
2015	6,944,683	290,902	4,427,539	929,860	(590)	(29,446)
2016	7,782,349	92,702	5,865,818	820,411	32,888	(13,614)
2017	5,542,395	24,868	4,515,735	(1,296,140)	30,422	(17,954)
2018	9,181,272	137,656	7,229,314	2,276,167	155,551	46,403
Covered employee payroll						
2014	\$ 10,037,607	\$ 173,319	\$ 5,135,804	\$ 4,487,493	\$ 994,300	\$ 855,275
2015	10,412,970	176,350	5,659,403	5,024,250	1,747,810	1,199,072
2016	10,382,002	67,790	6,036,397	5,225,937	2,417,827	1,295,752
2017	10,495,839	62,011	5,844,309	5,178,980	3,375,494	1,637,646
2018	10,259,405	63,492	5,663,301	4,870,360	4,240,142	2,473,163
Proportionate share of the net pension liability (asset) as a percentage of its covered-employees payroll						
2014	50.62%	53.92%	63.88%	-12.03%	-0.62%	-3.58%
2015	66.69%	164.96%	78.23%	18.51%	-0.03%	-2.46%
2016	74.96%	136.75%	97.17%	15.70%	1.36%	-1.05%
2017	52.81%	40.10%	77.27%	-25.03%	0.90%	-1.10%
2018	89.49%	216.81%	127.65%	46.74%	3.67%	1.88%
Plan fiduciary net position as a percentage of the total pension liability						
2014	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
2015	87.8%	85.7%	87.6%	98.1%	100.2%	110.7%
2016	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
2017	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%
2018	87.0%	91.2%	85.6%	96.1%	90.8%	95.6%

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



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

Retirement System Description	As of fiscal year-ended June 30	Actuarial-determined contributions	Contributions in relation to the contractually-required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered-employee payroll
Noncontributory System	2014	\$ 1,688,521	\$ 1,688,521	\$ -	\$ 9,915,750	17.03%
	2015	1,849,992	1,849,992	-	10,195,584	18.15%
	2016	1,895,144	1,895,144	-	10,456,544	18.12%
	2017	1,883,503	1,883,503	-	10,386,083	18.13%
	2018	1,873,328	1,873,328	-	10,320,881	18.15%
	2019	1,890,765	1,890,765	-	10,480,494	18.04%
Contributory System	2014	\$ 22,708	\$ 22,708	\$ -	\$ 170,991	13.28%
	2015	25,231	25,231	-	174,485	14.46%
	2016	18,197	18,197	-	123,358	14.75%
	2017	8,864	8,864	-	61,298	14.46%
	2018	9,055	9,055	-	62,525	14.48%
	2019	9,321	9,321	-	64,459	14.46%
Public Safety System	2014	\$ 1,613,136	\$ 1,613,136	\$ -	\$ 5,149,019	31.33%
	2015	1,685,006	1,685,006	-	5,322,889	31.66%
	2016	1,871,960	1,871,960	-	5,885,461	31.81%
	2017	1,907,382	1,907,382	-	5,992,379	31.83%
	2018	1,823,310	1,823,310	-	5,731,430	31.81%
	2019	1,745,659	1,745,659	-	5,559,041	31.40%
Firefighters System	2014	\$ 177,099	\$ 177,099	\$ -	\$ 4,766,632	3.72%
	2015	299,046	299,046	-	4,707,165	6.35%
	2016	318,364	318,364	-	5,133,223	6.20%
	2017	320,243	320,243	-	5,165,166	6.20%
	2018	318,396	318,396	-	5,019,492	6.34%
	2019	336,248	336,248	-	4,850,595	6.93%
Tier 2 Public Employees System *	2014	\$ 115,448	\$ 115,448	\$ -	\$ 825,825	13.98%
	2015	210,262	210,262	-	1,398,883	15.03%
	2016	315,373	315,373	-	2,116,383	14.90%
	2017	442,470	442,470	-	2,976,227	14.87%
	2018	618,158	618,158	-	4,122,792	14.99%
	2019	709,417	709,417	-	4,567,733	15.53%
Tier 2 Public Safety and Firefighter System	2014	\$ 112,573	\$ 112,573	\$ -	\$ 667,638	16.86%
	2015	180,387	180,387	-	1,082,932	16.66%
	2016	197,640	197,640	-	1,210,354	16.33%
	2017	231,630	231,630	-	1,424,489	16.26%
	2018	330,741	330,741	-	2,003,555	16.51%
	2019	514,525	514,525	-	3,062,384	16.80%
Tier 2 Public Employees DC Only System *	2014	\$ 9,127	\$ 9,127	\$ -	\$ 141,643	5.58%
	2015	14,185	14,185	-	168,086	8.44%
	2016	24,459	24,459	-	314,525	7.78%
	2017	33,012	33,012	-	479,860	6.88%
	2018	27,385	27,385	-	405,729	6.75%
	2019	50,725	50,725	-	761,510	6.66%
Tier 2 Public Safety and Firefighter DC Only System *	2014	\$ 11,877	\$ 11,877	\$ -	\$ 139,202	9.94%
	2015	16,194	16,194	-	201,646	8.03%
	2016	20,314	20,314	-	256,941	7.91%
	2017	22,731	22,731	-	284,258	8.00%
	2018	22,523	22,523	-	287,761	7.83%
	2019	24,387	24,387	-	323,896	7.53%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in the RSI section of their Comprehensive Annual Financial Report. Contributions as a percentage of covered-payroll may be different than the board-certified rate due to rounding and other administrative issues. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.

NOTE 1 – CHANGES IN ASSUMPTIONS

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2019



West Jordan Fire Station #52

OTHER GOVERNMENTAL FUNDS

Municipal Building Authority (MBA) Fund

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

Class C Road Fund

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

Fairway Estates Fund

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

Highlands Special Improvement District Fund

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

KraftMaid Special Improvement District Fund

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

Community Development Block Grant

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



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

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund	Community Development Block Grant Fund	Non-Major Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,836,068	\$ 266,053	\$ 56,103	\$ -	\$ 117,732	\$ -	\$ 3,275,956
Accounts receivable (net of allowance)	4,150	-	-	3,529	578	644,116	652,373
Due from other governments	-	841,090	10,209	-	-	154,144	1,005,443
Restricted cash	1,158,699	-	-	-	242,652	165,802	1,567,153
Total assets	3,998,917	1,107,143	66,312	3,529	360,962	964,062	6,500,925
LIABILITIES							
Accounts payable	1,917,103	111,557	805	7,736	-	55,070	2,092,271
Accrued liabilities	-	-	-	-	-	2,196	2,196
Due to other funds	-	-	-	3,992	-	38,462	42,454
Total liabilities	1,917,103	111,557	805	11,728	-	95,728	2,136,921
DEFERRED INFLOWS OF RESOURCES							
Deferred property taxes	-	-	10,118	-	-	-	10,118
Total deferred inflows of resources	-	-	10,118	-	-	-	10,118
FUND BALANCE							
Nonspendable	-	-	-	-	-	644,116	644,116
Restricted	1,158,699	-	-	-	242,652	165,802	1,567,153
Committed	-	-	-	-	-	-	-
Assigned	923,115	995,586	55,389	-	118,310	58,416	2,150,816
Unassigned	-	-	-	(8,199)	-	-	(8,199)
Total fund balances	2,081,814	995,586	55,389	(8,199)	360,962	868,334	4,353,886
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 3,998,917	\$ 1,107,143	\$ 66,312	\$ 3,529	\$ 360,962	\$ 964,062	\$ 6,500,925



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

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund	Community Development Block Grant Fund	Non-Major Governmental Funds
REVENUES							
Property tax	\$ -	\$ -	\$ 11,117	\$ -	\$ -	\$ -	\$ 11,117
Intergovernmental	-	4,046,292	-	-	-	496,268	4,542,560
Charges for services	1,852,650	-	-	68,288	-	-	1,920,938
Investment income	128,471	108,039	1,445	725	15,850	431	254,961
Total revenues	1,981,121	4,154,331	12,562	69,013	15,850	496,699	6,729,576
EXPENDITURES							
Community development	-	-	-	-	-	348,390	348,390
Highways and public improvements	3,908,922	1,686,135	10,376	125,033	-	-	5,730,466
Debt service:							
Principal	720,000	-	-	-	755,000	150,000	1,625,000
Interest and fiscal charges	1,133,950	-	-	-	114,410	7,455	1,255,815
Total expenditures	5,762,872	1,686,135	10,376	125,033	869,410	505,845	8,959,671
Excess (deficiency) of revenues over (under) expenditures	(3,781,751)	2,468,196	2,186	(56,020)	(853,560)	(9,146)	(2,230,095)
OTHER FINANCING SOURCES (USES)							
Issuance of debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	870,910	-	870,910
Transfers out	-	(6,423,491)	-	-	-	-	(6,423,491)
Total other financing sources (uses)	-	(6,423,491)	-	-	870,910	-	(5,552,581)
Net change of fund balance	(3,781,751)	(3,955,295)	2,186	(56,020)	17,350	(9,146)	(7,782,676)
Fund balance at beginning of year	5,863,565	4,950,881	53,203	47,821	343,612	877,480	12,136,562
Fund balance at end of year	\$ 2,081,814	\$ 995,586	\$ 55,389	\$ (8,199)	\$ 360,962	\$ 868,334	\$ 4,353,886



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Investment income	\$ 15,000	\$ 15,000	\$ 128,471	\$ 113,471
Total revenues	15,000	15,000	128,471	113,471
<u>EXPENDITURES</u>				
Highways and public improvements	-	4,333,172	3,908,922	(424,250)
Debt service				
Principal	720,000	720,000	720,000	-
Interest and fiscal charges	1,132,650	1,132,650	1,133,950	1,300
Total expenditures	1,852,650	6,185,822	5,762,872	(422,950)
Excess (deficiency) of revenues over (under) expenditures	(1,837,650)	(6,170,822)	(5,634,401)	536,421
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,852,650	1,852,650	1,852,650	-
Net other financing sources (uses)	1,852,650	1,852,650	1,852,650	-
Net change in fund balance	\$ 15,000	\$ (4,318,172)	(3,781,751)	\$ 536,421
Fund balance at beginning of year			5,863,565	
Fund balance at end of year			\$ 2,081,814	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 4,000,000	\$ 4,000,000	\$ 4,046,292	\$ 46,292
Investment income	65,000	65,000	108,039	43,039
Total revenues	<u>4,065,000</u>	<u>4,065,000</u>	<u>4,154,331</u>	<u>89,331</u>
EXPENDITURES				
Highways and public improvements	1,348,549	1,348,549	1,686,135	(337,586)
Total expenditures	<u>1,348,549</u>	<u>1,348,549</u>	<u>1,686,135</u>	<u>(337,586)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,716,451</u>	<u>2,716,451</u>	<u>2,468,196</u>	<u>(248,255)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,745,954)	(3,745,954)	(6,423,491)	(2,677,537)
Net other financing sources (uses)	<u>(3,745,954)</u>	<u>(3,745,954)</u>	<u>(6,423,491)</u>	<u>(2,677,537)</u>
	\$			
Net change in fund balance	<u>(1,029,503)</u>	<u>\$ (1,029,503)</u>	<u>(3,955,295)</u>	<u>\$ (2,925,792)</u>
Fund balance at beginning of year			<u>4,950,881</u>	
Fund balance at end of year			<u>\$ 995,586</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Property tax	\$ 10,935	\$ 10,935	\$ 11,117	\$ 182
Investment income	-	-	1,445	1,445
Total revenues	10,935	10,935	12,562	1,627
EXPENDITURES				
Highways and public improvements	17,160	17,160	10,376	(6,784)
Total expenditures	17,160	17,160	10,376	(6,784)
Excess (deficiency) of revenues over (under) expenditures	(6,225)	(6,225)	2,186	8,411
Net change in fund balance	\$ (6,225)	\$ (6,225)	2,186	\$ 8,411
Fund balance at beginning of year			53,203	
Fund balance at end of year			\$ 55,389	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 44,000	\$ 84,000	\$ 68,288	\$ (15,712)
Investment income	-	-	725	725
Total revenues	<u>44,000</u>	<u>84,000</u>	<u>69,013</u>	<u>(14,987)</u>
<u>EXPENDITURES</u>				
Parks, recreation, and culture	29,955	131,220	125,033	(6,187)
Total expenditures	<u>29,955</u>	<u>131,220</u>	<u>125,033</u>	<u>(6,187)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,045</u>	<u>(47,220)</u>	<u>(56,020)</u>	<u>(8,800)</u>
Net change in fund balance	<u>\$ 14,045</u>	<u>\$ (47,220)</u>	<u>(56,020)</u>	<u>\$ (8,800)</u>
Fund balance at beginning of year			<u>47,821</u>	
Fund balance at end of year			<u>\$ (8,199)</u>	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 15,850	\$ 15,850
Total revenues	-	-	15,850	15,850
<u>EXPENDITURES</u>				
Debt service				
Principal	755,000	755,000	755,000	-
Interest and fiscal charges	115,910	115,910	114,410	(1,500)
Total expenditures	870,910	870,910	869,410	(1,501)
Excess (deficiency) of revenues over (under) expenditures	(870,910)	(870,910)	(853,560)	17,042
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	870,910	870,910	870,910	-
Net other financing sources (uses)	870,910	870,910	870,910	-
Net change in fund balance	\$ -	\$ -	17,350	\$ 17,042
Fund balance at beginning of year			343,612	
Fund balance at end of year			\$ 360,962	



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 695,341	\$ 762,574	\$ 496,268	\$ (266,306)
Investment income	-	-	431	431
Total revenues	695,341	762,574	496,699	(265,875)
<u>EXPENDITURES</u>				
Community development	549,773	594,085	348,390	(245,695)
Highways and public improvements	100,000	117,921	-	(117,921)
Debt service				
Principal	170,000	190,000	150,000	(40,000)
Interest and fiscal charges	-	-	7,455	7,455
Total expenditures	819,773	902,006	505,845	(396,161)
Excess (deficiency) of revenues over (under) expenditures	(124,432)	(139,432)	(9,146)	130,286
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(3,745,954)	-	3,745,954
Net other financing sources (uses)	-	(3,745,954)	-	3,745,954
Net change in fund balance	\$ (124,432)	\$ (3,885,386)	(9,146)	\$ 3,876,240
Fund balance at beginning of year			877,480	
Fund balance at end of year			\$ 868,334	

INTERNAL SERVICE FUNDS

Fleet Management Fund

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

IT Replacement Fund

The Retained Risk Fund is used to account for the cost of replacement of the City's information technologies system.

Risk Management Fund

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

**STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,492,266	\$ 1,234,936	\$ 706,992	\$ 7,434,194
Accounts receivable (net of allowance)	107	-	-	107
Inventory	39,265	-	-	39,265
Total current assets	5,531,638	1,234,936	706,992	7,473,566
Noncurrent assets				
Restricted cash	434,901	-	-	434,901
Capital assets				
Construction in progress	678,025	-	-	678,025
Equipment	18,941,070	1,571,324	-	20,512,394
Accumulated depreciation and amortization	(14,068,148)	(1,373,496)	-	(15,441,644)
Total noncurrent assets	5,985,848	197,828	-	6,183,676
Total assets	11,517,486	1,432,764	706,992	13,657,242
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension costs	203,793	-	-	203,793
Total deferred outflows of resources	203,793	-	-	203,793
LIABILITIES				
Current liabilities				
Accounts payable	148,241	22,355	24,394	194,990
Accrued liabilities	13,623	-	2,900	16,523
Interest payable	46,157	-	-	46,157
Compensated absences	34,861	-	-	34,861
Bonds and leases payable	1,094,417	-	-	1,094,417
Total current liabilities	1,337,299	22,355	27,294	1,386,948
Noncurrent liabilities				
Compensated absences	30,684	-	-	30,684
Net pension payable	254,613	-	-	254,613
Bonds and leases payable	2,755,601	-	-	2,755,601
Total noncurrent liabilities	3,040,898	-	-	3,040,898
Total liabilities	4,378,197	22,355	27,294	4,427,846
DEFERRED INFLOWS OF RESOURCES				
Deferred pension gains	21,047	-	-	21,047
Total deferred inflows of resources	21,047	-	-	21,047
NET POSITION				
Net investment in capital assets ¹	2,135,830	197,828	-	2,333,658
Restricted				
Debt service	434,901	-	-	434,901
Unrestricted	4,751,304	1,212,581	679,698	6,643,583
Total net position	\$ 7,322,035	\$ 1,410,409	\$ 679,698	\$ 9,412,142

¹ Restricted cash is included in the calculated of net investment in capital assets because it is lease proceeds for the purchase of a Vactor truck. The liability for the lease is also included in this calculation.



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

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Total Internal Service Funds
<u>OPERATING REVENUES</u>				
Charges for services	\$ 4,192,038	\$ 330,000	\$ 1,250,465	\$ 5,772,503
Other	7,379	-	-	7,379
Total operating revenues	4,199,417	330,000	1,250,465	5,779,882
<u>OPERATING EXPENSES</u>				
Wages and benefits	752,457	-	2,645	755,102
Administrative fees	8,017	-	-	8,017
Operations and maintenance	1,687,808	163,009	1,076,333	2,927,150
Depreciation and amortization	2,403,116	124,689	-	2,527,805
Total operating expenses	4,851,398	287,698	1,078,978	6,218,074
Operating income (loss)	(651,981)	42,302	171,487	(438,192)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	153,575	30,129	6,607	190,311
Interest and fiscal charges	(98,646)	-	-	(98,646)
Gain/(loss) on disposal of assets	233,543	-	-	233,543
Total nonoperating revenues (expenses)	288,472	30,129	6,607	325,208
Income (loss) before contributions and transfers	(363,509)	72,431	178,094	(112,984)
Change in net position	(363,509)	72,431	178,094	(112,984)
Total net position, beginning	7,685,544	1,337,978	501,604	9,525,126
Total net position, ending	\$ 7,322,035	\$ 1,410,409	\$ 679,698	\$ 9,412,142

**STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS**

	Fleet Replacement Fund	IT Replacement Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 4,199,314	\$ 330,000	\$ 1,250,465	\$ 5,779,779
Payments to suppliers of goods and services	(2,229,271)	(140,654)	(1,170,813)	(3,540,738)
Payments to employees for services	(662,036)	-	(2,643)	(664,679)
Payment for interfund services	(8,017)	-	-	(8,017)
Net cash provided (used) by operating activities	<u>1,299,990</u>	<u>189,346</u>	<u>77,009</u>	<u>1,566,345</u>
Cash flows from noncapital financing activities				
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	233,543	-	-	233,543
Purchases of capital assets	(1,874,966)	(76,618)	-	(1,951,584)
Proceeds from issuance of debt	434,894	-	-	434,894
Principal paid on debt	(1,135,881)	-	-	(1,135,881)
Interest and fiscal charges paid on capital debt	(101,650)	-	-	(101,650)
Net cash provided (used) by capital and related financing activities	<u>(2,444,060)</u>	<u>(76,618)</u>	<u>-</u>	<u>(2,520,678)</u>
Cash flows from investing activities				
Investment income	153,575	30,129	6,607	190,311
Net cash provided by investing activities	<u>153,575</u>	<u>30,129</u>	<u>6,607</u>	<u>190,311</u>
Net increase (decrease) in cash and cash equivalents	(990,495)	142,857	83,616	(764,022)
Cash and cash equivalents - beginning of year	6,917,662	1,092,079	623,376	8,633,117
Cash and cash equivalents - end of year	<u>\$ 5,927,167</u>	<u>\$ 1,234,936</u>	<u>\$ 706,992</u>	<u>\$ 7,869,095</u>
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (651,981)	\$ 42,302	\$ 171,487	\$ (438,192)
Depreciation and amortization	2,403,116	124,689	-	2,527,805
(Increase) decrease in receivables	(107)	-	-	(107)
(Increase) decrease in payables	(540,030)	22,355	(97,378)	(615,053)
(Increase) decrease in liabilities	88,992	-	2,900	91,892
Net cash provided by operating activities	<u>\$ 1,299,990</u>	<u>\$ 189,346</u>	<u>\$ 77,009</u>	<u>\$ 1,566,345</u>

NON-MAJOR PROPRIETARY FUNDS

Solid Waste Fund

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

Streetlight Fund

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



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

	Solid Waste Fund	Streetlight Fund	Total Non-Major Proprietary Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 331,856	\$ 1,000,858	\$ 1,332,714
Accounts receivable (net of allowance)	695,162	60,709	755,871
Total current assets	<u>1,027,018</u>	<u>1,061,567</u>	<u>2,088,585</u>
Noncurrent assets			
Investments in joint ventures	5,743,577	-	5,743,577
Capital assets			
Equipment	1,610,410	-	1,610,410
Accumulated depreciation and amortization	(1,610,410)	-	(1,610,410)
Total noncurrent assets	<u>5,743,577</u>	<u>-</u>	<u>5,743,577</u>
Total assets	<u>6,770,595</u>	<u>1,061,567</u>	<u>7,832,162</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension costs	54,305	-	54,305
Total deferred outflows of resources	<u>54,305</u>	<u>-</u>	<u>54,305</u>
LIABILITIES			
Current liabilities			
Accounts payable	437,949	24,400	462,349
Accrued liabilities	3,090	-	3,090
Customer deposits	150	-	150
Total current liabilities	<u>441,189</u>	<u>24,400</u>	<u>465,589</u>
Noncurrent liabilities			
Compensated absences	3,604	-	3,604
Net pension payable	67,847	-	67,847
Total noncurrent liabilities	<u>71,451</u>	<u>-</u>	<u>71,451</u>
Total liabilities	<u>512,640</u>	<u>24,400</u>	<u>537,040</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension gains	5,608	-	5,608
Total deferred Inflows of resources	<u>5,608</u>	<u>-</u>	<u>5,608</u>
NET POSITION			
Net investment in capital assets	5,743,577	-	5,743,577
Unrestricted	563,075	1,037,167	1,600,242
Total net position	<u>\$ 6,306,652</u>	<u>\$ 1,037,167</u>	<u>\$ 7,343,819</u>



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

	Solid Waste Fund	Streetlight Fund	Total Non-Major Proprietary Funds
<u>OPERATING REVENUES</u>			
Charges for services	\$ 4,928,905	\$ 717,867	\$ 5,646,772
Total operating revenues	<u>4,928,905</u>	<u>717,867</u>	<u>5,646,772</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	101,976	-	101,976
Administrative fees	480,796	-	480,796
Operations and maintenance	4,504,236	286,164	4,790,400
Total operating expenses	<u>5,087,008</u>	<u>286,164</u>	<u>5,373,172</u>
Operating income (loss)	<u>(158,103)</u>	<u>431,703</u>	<u>273,600</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	8,054	19,610	27,664
Equity in income of joint venture	574,286	-	574,286
Total nonoperating revenues (expenses)	<u>582,340</u>	<u>19,610</u>	<u>601,950</u>
Income (loss) before contributions and transfers	<u>424,237</u>	<u>451,313</u>	<u>875,550</u>
Change in net position	<u>424,237</u>	<u>451,313</u>	<u>875,550</u>
Total net position, beginning	<u>5,882,415</u>	<u>585,854</u>	<u>6,468,269</u>
Total net position, ending	<u>\$ 6,306,652</u>	<u>\$ 1,037,167</u>	<u>\$ 7,343,819</u>

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

	Solid Waste Fund	Streetlight Fund	Total Non-Major Proprietary Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 4,790,014	\$ 720,640	\$5,510,654
Payments to suppliers of goods and services	(4,423,455)	(303,814)	(4,727,269)
Payments to employees for services	(90,409)	-	(90,409)
Payment for interfund services	(480,796)	-	(480,796)
Investments in joint venture	-	-	-
Net cash provided (used) by operating activities	<u>(204,646)</u>	<u>416,826</u>	<u>212,180</u>
Cash flows from noncapital financing activities			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Changes to interfund receivables and payables	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	-	-	-
Impact fees	-	-	-
Proceeds from issuance of debt	-	-	-
Principal paid on debt	-	-	-
Interest and fiscal charges paid on capital debt	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Sale (purchase) of investments	-	-	-
Investment income	8,054	19,610	27,664
Net cash provided by investing activities	<u>8,054</u>	<u>19,610</u>	<u>27,664</u>
Net increase (decrease) in cash and cash equivalents	(196,592)	436,436	239,844
Cash and cash equivalents - beginning of year	528,448	564,422	1,092,870
Cash and cash equivalents - end of year	<u>\$ 331,856</u>	<u>\$ 1,000,858</u>	<u>\$ 1,332,714</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (158,103)	\$ 431,703	\$ 273,600
Depreciation and amortization	-	-	-
Investments in joint ventures	-	-	-
(Increase) decrease in receivables	(138,890)	2,773	(136,117)
(Increase) decrease in inventory	-	-	-
(Increase) decrease in payables	80,973	(17,650)	63,323
(Increase) decrease in liabilities	11,374	-	11,374
Net cash provided by operating activities	<u>\$ (204,646)</u>	<u>\$ 416,826</u>	<u>\$ 212,180</u>

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2019



West Jordan Police

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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



SCHEDULE 1 - NET POSITION BY COMPONENT
Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
Net investment in capital assets	\$ 294,646	\$ 289,376	\$ 267,165	\$ 269,724	\$ 259,058	\$ 260,066	\$ 252,859	\$ 255,044	\$ 276,142	\$ 281,945
Restricted	21,247	30,655	43,553	18,571	20,911	19,888	15,710	15,204	17,176	16,706
Unrestricted	25,973	10,699	14,999	15,757	22,568	28,212	25,928	19,213	19,003	15,392
Total governmental net position	341,866	330,730	325,717	304,052	302,537	308,166	294,497	289,461	312,321	314,043
Business-type activities										
Net investment in capital assets	204,278	193,305	174,147	168,604	159,663	150,965	146,813	146,127	105,553	107,512
Restricted	7,441	9,919	3,779	5,490	1,073	3,860	3,975	3,521	6,473	4,475
Unrestricted	14,519	10,621	26,113	23,932	31,167	29,816	27,605	23,746	29,796	26,376
Total business-type net position	226,238	213,845	204,039	198,026	191,903	184,641	178,393	173,394	141,822	138,363
Primary government										
Net investment in capital assets	498,924	482,681	441,312	438,328	418,721	411,031	399,672	401,171	381,695	389,457
Restricted	28,688	40,574	47,332	24,061	21,984	23,748	19,685	18,725	23,649	21,181
Unrestricted	40,492	21,320	41,112	39,689	53,735	58,028	53,533	42,959	48,799	41,768
Total primary gov't net position	\$ 568,104	\$ 544,575	\$ 529,756	\$ 502,078	\$ 494,440	\$ 492,807	\$ 472,890	\$ 462,855	\$ 454,143	\$ 452,406



SCHEDULE 2 - CHANGE IN NET POSITION

Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)
 Page 1 of 2

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities										
General government	\$ 9,868	\$ 8,439	\$ 8,224	\$ 8,594	\$ 7,930	\$ 10,686	\$ 8,183	\$ 7,386	\$ 9,205	\$ 9,627
Community development	4,384	4,164	3,570	2,890	2,955	3,826	2,502	3,080	4,430	2,853
Public safety	33,468	30,160	30,169	28,606	24,021	24,521	22,948	23,191	23,318	24,275
Highways and public improvements	17,792	22,291	13,781	16,190	14,002	14,176	12,874	11,662	14,837	16,794
Parks, recreation, and culture	6,347	5,541	5,561	4,238	4,055	4,144	3,574	3,365	4,065	3,339
Debt service - interest and fiscal charges	1,007	1,568	1,353	658	628	804	862	1,086	1,331	1,589
Total governmental expenses	72,866	72,163	62,658	61,176	53,591	58,157	50,943	49,770	57,186	58,477
Business-type activities										
Water	21,238	19,450	19,963	17,442	16,113	15,132	13,698	13,500	12,497	12,160
Sewer	9,690	9,095	8,046	8,020	7,997	7,606	6,598	5,528	6,936	6,481
Solid waste	4,515	4,289	4,440	4,138	4,071	3,639	4,189	3,817	3,771	3,656
Storm water	4,027	3,303	2,725	2,742	2,012	1,983	1,735	1,396	-	-
Streetlight	286	322	590	-	-	-	-	-	-	-
Total business-type activities expenses	39,756	36,459	35,764	32,342	30,193	28,360	26,220	24,241	23,204	22,297
Total primary government expenses	\$ 112,622	\$ 108,622	\$ 98,422	\$ 93,518	\$ 83,784	\$ 86,517	\$ 77,163	\$ 74,011	\$ 80,390	\$ 80,774
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 3,005	\$ 2,009	\$ 2,167	\$ 2,445	\$ 2,123	\$ 5,612	\$ 2,306	\$ 3,015	\$ 8,017	\$ 7,574
Community development	3,602	3,453	3,496	2,729	2,341	2,333	2,277	1,893	1,690	1,476
Public safety	2,532	3,300	2,774	2,951	2,473	2,272	2,454	2,366	2,045	1,403
Highways & public improvements	1,449	566	848	1,078	1,259	1,263	1,489	1,833	1,446	817
Parks, recreation, and culture	2,015	324	255	236	255	258	239	428	351	356
Operating grants and contributions	6,161	4,557	4,469	4,229	3,991	3,702	3,777	3,675	3,479	3,404
Capital grants & contributions	13,746	12,323	23,998	5,176	3,114	13,963	2,339	2,909	2,393	2,750
Total governmental program revenues	32,510	26,532	38,007	18,844	15,556	29,403	14,881	16,119	19,421	17,780
Business-type activities										
Charges for services										
Water	23,552	18,849	17,261	16,078	15,778	16,481	15,117	14,072	12,885	10,474
Sewer	10,846	9,342	8,805	8,120	8,485	8,350	7,643	7,791	7,549	6,428
Solid waste	4,929	4,499	4,231	4,032	4,140	4,033	4,242	4,149	4,089	3,955
Storm water	4,975	3,139	2,967	2,173	1,777	1,869	1,540	806	-	-
Streetlight	718	709	727	-	-	-	-	-	-	-
Operating grants and contributions	-	61	184	2,354	3,186	-	-	-	-	-
Capital grants & contributions	6,561	9,235	7,122	4,028	2,618	3,835	4,632	3,867	2,142	4,334
Total business-type program revenues	51,581	45,834	41,297	36,785	35,984	34,568	33,174	30,685	26,665	25,191
Total primary government program revenues	\$ 84,091	\$ 72,366	\$ 79,304	\$ 55,629	\$ 51,540	\$ 63,971	\$ 48,055	\$ 46,804	\$ 46,086	\$ 42,971
Net (expense)/revenue										
Governmental activities	\$ (40,356)	\$ (45,631)	\$ (24,651)	\$ (42,332)	\$ (38,035)	\$ (28,754)	\$ (36,062)	\$ (33,651)	\$ (37,765)	\$ (40,697)
Business-type activities	11,825	9,375	5,533	4,443	5,791	6,208	6,954	6,444	3,461	2,894
Total primary government net expense	\$ (28,531)	\$ (36,256)	\$ (19,118)	\$ (37,889)	\$ (32,244)	\$ (22,546)	\$ (29,108)	\$ (27,207)	\$ (34,304)	\$ (37,803)



SCHEDULE 2 - CHANGE IN NET POSITION
Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)
 Page 2 of 2

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<u>General revenues & other changes in net position</u>										
Governmental activities										
Taxes										
Sales taxes	\$ 20,934	\$ 19,922	\$ 18,583	\$ 17,371	\$ 16,846	\$ 15,976	\$ 15,162	\$ 14,468	\$ 13,560	\$ 13,406
Property taxes	16,733	14,058	13,947	13,749	13,389	13,668	14,094	10,626	11,487	11,104
Tax increment	4,022	3,710	3,773	3,978	3,825	3,398	2,794	2,283	2,651	2,714
Franchise taxes	7,457	7,652	7,932	7,806	7,871	8,113	7,964	7,409	7,129	6,911
Investment income	1,454	815	515	295	199	214	196	179	157	205
Gain/(loss) on sale & disposal of assets	176	4,074	422	279	723	29	102	188	781	114
Miscellaneous	716	362	494	817	552	947	248	261	910	44
Transfers - net	-	50	(5)	50	(1,950)	80	925	(21,118)	64	60
Total governmental activities	51,492	50,643	45,661	44,345	41,455	42,425	41,485	14,296	36,739	34,558
Business-type activities										
Investment income	567	481	275	184	113	120	189	115	62	88
Gain/(loss) on sale & disposal of assets	-	-	-	-	-	-	136	390	-	-
Transfers - net	-	(50)	5	(50)	1,950	(80)	(925)	21,118	(64)	(60)
Total business-type activities	567	431	280	134	2,063	40	(600)	21,623	(2)	28
Total primary government	\$ 52,059	\$ 51,074	\$ 45,941	\$ 44,479	\$ 43,518	\$ 42,465	\$ 40,885	\$ 35,919	\$ 36,737	\$ 34,586
<u>Change in net position</u>										
Governmental activities	\$ 11,136	\$ 5,012	\$ 21,010	\$ 2,013	\$ 3,420	\$ 13,671	\$ 5,423	\$ (19,355)	\$ (1,026)	\$ (6,139)
Business-type activities	12,392	9,806	5,813	4,577	7,854	6,248	6,354	28,067	3,459	2,922
Total primary government	\$ 23,528	\$ 14,818	\$ 26,823	\$ 6,590	\$ 11,274	\$ 19,919	\$ 11,777	\$ 8,712	\$ 2,433	\$ (3,217)



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

Accrual basis of accounting
 (Amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,852
Unreserved	-	-	-	-	-	-	-	-	-	1,810
Nonspendable	482	109	57	167	164	161	90	6	282	-
Restricted	-	4,951	6,042	6,502	5,233	5,794	6,308	6,003	4,412	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	148	47	893	770	568	598	620	19	-
Unassigned	12,053	11,345	10,692	9,425	11,362	12,514	13,042	8,263	5,015	-
Total General Fund	\$ 12,535	\$ 16,553	\$ 16,838	\$ 16,987	\$ 17,529	\$ 19,037	\$ 20,038	\$ 14,892	\$ 9,728	\$ 4,662
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,339
Unreserved	-	-	-	-	-	-	-	-	-	13,157
Nonspendable	644	653	689	-	-	-	-	80	48	-
Restricted	20,812	23,797	37,747	12,069	15,678	14,094	9,402	9,202	12,461	-
Committed	-	-	-	-	-	500	500	1,849	1,002	-
Assigned	22,115	18,386	10,069	9,406	13,970	11,501	10,897	7,184	10,564	-
Unassigned	(4,863)	(6,006)	(1,580)	-	-	(60)	(134)	-	-	-
Total all other governmental funds	\$ 38,708	\$ 36,830	\$ 46,925	\$ 21,475	\$ 29,648	\$ 26,035	\$ 20,665	\$ 18,315	\$ 24,075	\$ 27,496
	\$ 51,243	\$ 53,383	\$ 63,763	\$ 38,462	\$ 47,177	\$ 45,072	\$ 40,703	\$ 33,207	\$ 33,803	\$ 32,158

Note: Per GASB Statement No. 54, fund balances have been reclassified beginning fiscal year 2011.



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

Accrual basis of accounting
 (Amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes & special assessments	\$ 49,145	\$ 45,354	\$ 44,279	\$ 43,077	\$ 41,931	\$ 41,156	\$ 40,014	\$ 34,786	\$ 34,827	\$ 34,134
Licenses & permits	2,725	2,888	2,797	2,762	2,393	2,135	1,743	1,805	1,680	1,674
Intergovernmental	9,445	5,818	6,089	5,590	4,904	4,920	5,043	6,288	5,242	4,198
Administrative fees	-	-	-	-	-	3,913	3,901	4,188	4,693	4,609
Charges for services	5,594	3,664	3,111	4,882	4,624	4,402	4,316	3,754	3,641	2,994
Fines & forfeitures	1,143	1,163	1,283	1,366	1,482	1,478	1,489	1,739	1,929	1,663
Impact fees	3,207	4,916	3,479	2,686	2,641	1,868	1,317	1,262	1,327	2,513
Miscellaneous	716	827	821	238	99	538	774	498	985	241
Investment Income	1,454	949	612	307	204	232	228	207	167	221
Total revenues	73,429	65,579	62,471	60,908	58,278	60,642	58,825	54,527	54,491	52,247
Expenditures										
General government	9,200	8,208	7,789	9,086	8,489	10,210	9,295	8,784	8,813	8,666
Community development	4,333	4,120	3,523	2,714	3,095	3,925	2,653	3,151	3,408	2,813
Public safety	31,652	29,753	28,671	28,397	26,155	24,143	23,345	21,779	22,376	22,830
Highways & public improvements	11,306	5,409	4,943	5,739	4,897	5,356	5,292	4,892	5,094	5,515
Parks, recreation and culture	4,285	3,710	3,682	2,744	3,088	2,910	2,374	2,031	2,728	2,163
Capital outlay	10,246	40,473	12,620	16,646	12,237	16,094	5,883	6,074	5,373	9,057
Debt service										
Principal	3,230	2,424	2,738	3,218	2,657	10,851	2,451	7,790	4,088	4,214
Interest	1,494	1,579	1,080	584	550	792	813	1,059	1,329	1,543
Total expenditures	75,746	95,676	65,046	69,128	61,168	74,281	52,106	55,560	53,209	56,801
Excess of revenues over (under) expenditures	(2,317)	(30,097)	(2,575)	(8,220)	(2,890)	(13,639)	6,719	(1,033)	1,282	(4,554)
Other financing sources (uses)										
Issuance of debt	-	-	27,275	-	6,530	10,595	-	3,290	-	-
State funding	-	-	-	-	-	9,900	-	-	-	-
Capital lease financing	-	-	-	-	135	-	-	-	-	220
Developer contributions	-	-	-	-	-	683	-	-	-	-
Sales of capital assets	177	19,718	-	5	165	-	-	-	747	235
Transfers in	8,402	11,549	4,784	3,032	11,587	11,684	6,206	5,191	4,784	8,615
Transfers out	(8,402)	(11,549)	(4,839)	(3,032)	(13,587)	(14,854)	(5,429)	(4,539)	(5,070)	(8,784)
Total other financing sources (uses)	177	19,718	27,220	5	4,830	18,008	777	3,942	461	286
Net change in fund balances	\$ (2,140)	\$ (10,379)	\$ 24,645	\$ (8,215)	\$ 1,940	\$ 4,369	\$ 7,496	\$ 2,909	\$ 1,743	\$ (4,268)
Debt service as a % of noncapital expenditures	7.77%	7.82%	7.85%	7.81%	7.01%	25.02%	7.60%	21.78%	12.77%	13.71%



SCHEDULE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years

Accrual basis of accounting

Fiscal Year	Property Tax	Fees-in-lieu of property tax	Tax Increment	Sales Tax	Franchise Tax	Total
2019	\$ 15,523,672	\$ 1,209,212	\$ 4,021,956	\$ 20,933,636	\$ 7,456,661	\$ 49,145,137
2018	13,008,717	1,048,335	3,722,099	19,922,143	7,651,704	45,352,998
2017	12,912,284	1,033,792	3,780,491	18,583,140	7,931,649	44,241,356
2016	12,735,526	1,012,652	4,136,309	17,371,482	7,805,966	43,061,935
2015	12,378,578	1,010,266	3,824,806	16,845,871	7,871,219	41,930,740
2014	12,668,980	999,394	3,398,395	15,976,144	8,112,830	41,155,743
2013	12,949,847	1,143,559	2,794,439	15,161,672	7,964,188	40,013,705
2012	9,811,737	814,006	2,282,629	14,467,761	7,409,499	34,785,632
2011	10,494,095	992,661	2,651,201	13,559,906	7,129,083	34,826,946
2010	10,127,235	976,689	2,714,436	13,404,929	6,911,183	34,134,472



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

Fiscal Year	Primary Residential Property	Other Property	Less: Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2019	\$ 4,815,118,214	\$ 2,825,449,487	\$ 141,921,180	\$ 7,782,488,881	0.001999	\$ 11,580,209,876	67.21%
2018	4,333,004,243	2,603,320,833	182,577,025	7,118,902,101	0.002132	10,481,510,366	67.92%
2017	3,857,227,834	2,451,495,056	142,873,074	6,451,595,964	0.001975	9,464,636,572	68.17%
2016	3,595,378,140	2,345,525,635	(109,931,962)	5,830,971,813	0.002139	8,882,576,799	65.65%
2015	3,361,903,767	2,191,420,614	(130,127,755)	5,423,196,626	0.002251	8,303,972,918	65.31%
2014	3,048,600,250	2,075,413,401	(62,854,709)	5,061,158,942	0.002368	7,618,322,946	66.43%
2013	2,844,974,289	1,965,996,252	(208,866,727)	4,602,103,814	0.002562	7,138,676,777	64.47%
2012	3,015,103,177	1,938,017,434	(607,104,064)	4,346,016,547	0.002674	7,420,023,210	58.57%
2011	3,119,933,190	1,936,404,242	(477,598,888)	4,578,738,544	0.002069	7,609,010,042	60.18%
2010	3,148,488,044	1,996,323,713	(418,757,605)	4,726,054,152	0.002128	7,720,847,429	61.21%

Notes:

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

Sources: Utah State Tax Commission, Salt Lake County Auditor's Office



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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 15,185,183	\$ 15,311,700	100.83%	\$ -	\$ 15,311,700	100.83%
2018	12,749,435	12,802,407	100.42%	126,013	12,928,420	101.40%
2017	12,480,066	12,635,099	101.24%	172,929	12,808,028	102.63%
2016	12,215,009	12,459,849	102.00%	194,323	12,654,172	103.60%
2015	11,993,512	12,919,871	107.72%	228,371	13,148,242	109.63%
2014	11,800,713	12,671,927	107.38%	261,390	12,933,317	109.60%
2013	11,631,147	12,321,900	105.94%	271,985	12,593,885	108.28%
2012	9,483,457	9,533,958	100.53%	253,939	9,787,897	103.21%
2011	10,028,293	10,091,756	100.63%	271,188	10,362,944	103.34%
2010	9,855,591	9,722,647	98.65%	448,949	10,171,595	103.21%

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

Source: Salt Lake County Treasurer



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

Fiscal Year	Direct City Rates			Overlapping Rates			
	Operations	Debt Service	Total City Direct Rate	Jordan School District	Salt Lake County	Other	Total
2019	0.002025	0.000107	0.002132	0.006501	0.002584	0.000815	0.012032
2018	0.001857	0.000118	0.001975	0.006424	0.002850	0.000817	0.012066
2017	0.002009	0.000130	0.002139	0.006906	0.003010	0.000790	0.012845
2016	0.002111	0.000140	0.002251	0.006872	0.003214	0.000824	0.013161
2015	0.002218	0.000150	0.002368	0.006700	0.003751	0.000841	0.013660
2014	0.002384	0.000178	0.002562	0.007132	0.003935	0.000891	0.014520
2013	0.002481	0.000193	0.002674	0.007360	0.003420	0.000919	0.014373
2012	0.002003	0.000066	0.002069	0.007319	0.003300	0.000912	0.013600
2011	0.001953	0.000175	0.002128	0.006485	0.003176	0.000881	0.012670
2010	0.001906	0.000174	0.002080	0.005980	0.002842	0.000825	0.011727

Notes:

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

Source: Utah State Tax Commission



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

Taxpayer	2019			2010		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Plaza at Jordan Landing LLC	\$ 129,483,800	1	1.7%	\$ 114,462,200	1	2.4%
Jordan Valley Medical Center LP	67,662,500	2	0.9%	30,174,400	3	0.6%
The Boeing Company	51,415,300	3	0.7%			
Oracle America Inc	48,977,300	4	0.6%			
Mountain America Credit Union	48,093,400	5	0.6%	16,531,300	8	0.4%
Willowcove International LLC	34,449,910	6	0.4%	25,655,630	4	0.5%
Campus View LLC	29,222,700	7	0.4%			
Sysco Intermountain Food Services Inc	25,944,700	8	0.3%	15,306,400	9	0.3%
Serengeti Springs LTD	24,728,797	9	0.3%			
SLC Southwillow Fee Owner LLC	23,810,105	10	0.3%			
Masco Cabinet Group LLC				42,034,700	2	0.9%
SRI West Jordan LLC				20,955,900	5	0.4%
Wal-Mart Stores Inc	19,166,500	19	0.02%	18,179,700	6	0.4%
Sears Roebuck				16,568,900	7	0.4%
Grand Central Inc				14,961,400	10	0.3%
	<u>\$ 502,955,012</u>		<u>6.5%</u>	<u>\$ 314,830,530</u>		<u>6.6%</u>

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



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

Calendar Year	Retail	Services	Business Equipment & Utilities	Other	Total	City Direct Sales Tax Rate
2018	\$ 971,183,292	\$ 434,554,528	\$ 300,676,126	\$ 84,475,116	\$ 1,790,889,062	1.00%
2017	937,150,637	403,755,345	241,144,821	78,179,700	1,660,230,503	1.00%
2016	851,709,139	400,680,330	202,872,948	73,223,845	1,528,486,262	1.00%
2015	826,025,346	390,211,536	205,074,080	59,512,570	1,480,823,532	1.00%
2014	789,609,154	367,672,604	204,421,596	53,965,617	1,415,668,971	1.00%
2013	775,684,054	359,063,551	185,857,212	36,431,721	1,357,036,538	1.00%
2012	742,836,960	262,226,673	239,780,736	45,668,906	1,290,513,275	1.00%
2011	721,045,458	247,509,130	221,084,342	41,939,927	1,231,578,857	1.00%
2010	793,464,695	103,958,444	254,839,010	32,502,668	1,184,764,817	1.00%
2009	828,022,960	82,399,762	259,685,855	32,070,469	1,202,179,046	1.00%

Source: Utah State Tax Commission



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

Fiscal Year	City Direct Rate	Overlapping Rates				Total
		State of Utah	Salt Lake County	Mass Transit	Botanical, Cultural, Zoo	
2018	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2017	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2016	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2015	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2014	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2013	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2012	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2011	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2010	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2009	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%

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



SCHEDULE 12 – PRINCIPAL SALES TAXPAYERS
Last Ten Fiscal Years

Taxpayer	2019			2010		
	Sales Tax ¹	Rank	Percentage of Total Sales Tax	Sales Tax ¹	Rank	Percentage of Total Sales Tax
Smith's	N/A	1	N/A	N/A	2	N/A
Wal-Mart Stores	N/A	2	N/A	N/A	1	N/A
BMC West	N/A	3	N/A	N/A		N/A
SME Industries	N/A	4	N/A	N/A		N/A
Sam's Club	N/A	5	N/A	N/A	3	N/A
Rocky Mountain Power	N/A	6	N/A	N/A	5	N/A
The Home Depot	N/A	7	N/A	N/A	6	N/A
Target	N/A	8	N/A	N/A	4	N/A
World Wide Technology	N/A	9	N/A	N/A		N/A
Lowe's	N/A	10	N/A	N/A	8	N/A
Macey's	N/A		N/A	N/A	9	N/A
Sysco Foods	N/A		N/A	N/A	7	N/A
Stock Building Supply	N/A		N/A	N/A	10	N/A
Total	\$ 6,221,909		29.72%	\$ 4,096,206		30.56%

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

N/A = Not applicable

Source: Utah State Tax Commission



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

Fiscal Year	Governmental Activities					Revenue Bonds	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Revenue Bonds	Capital Leases	Contracts Payable	Notes Payable to Developers				
2019	\$ 4,140,000	\$ 31,881,000	\$ 3,850,018	\$ 155,000	\$ -	\$ 15,855,000	\$ 55,881,018	0.93%	\$482
2018	4,785,000	34,316,000	4,551,005	305,000	-	18,110,000	62,067,005	1.10%	545
2017	5,420,000	35,931,000	2,070,123	450,000	-	10,330,000	54,201,123	0.99%	477
2016	6,045,000	12,888,000	2,769,019	590,000	-	11,590,000	33,882,019	0.66%	304
2015	6,665,000	15,418,000	2,239,565	725,000	-	5,730,000	30,777,565	0.64%	279
2014	7,260,000	10,548,000	2,105,811	1,355,000	-	6,380,000	27,648,811	0.61%	255
2013	7,700,000	10,207,000	1,480,783	1,480,000	-	1,030,000	21,897,783	0.49%	203
2012	8,210,000	11,747,000	1,617,873	1,850,000	-	1,710,000	25,134,873	0.61%	235
2011	8,685,000	14,627,000	778,951	1,215,000	837,708	2,530,000	28,673,659	0.74%	270
2010	9,145,000	18,117,000	644,762	1,325,000	837,708	1,040,000	31,109,470	0.82%	296

¹ See Schedule 19 for personal income and population



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

Fiscal Year	General Obligation Bonds	All Other Bonds	Total	Percentage of Actual Taxable Value of Property ¹	Per capita ²
2019	\$ 4,140,000	\$ 47,736,000	\$ 51,876,000	0.73%	\$ 447
2018	4,785,000	52,426,000	57,211,000	0.89%	502
2017	5,420,000	46,261,000	51,681,000	0.89%	455
2016	6,045,000	24,478,000	30,523,000	0.56%	274
2015	6,665,000	21,148,000	27,813,000	0.55%	252
2014	7,260,000	16,928,000	24,188,000	0.53%	223
2013	7,700,000	11,237,000	18,937,000	0.44%	175
2012	8,210,000	13,457,000	21,667,000	0.47%	203
2011	8,685,000	17,157,000	25,842,000	0.55%	243
2010	9,145,000	19,157,000	28,302,000	0.61%	270

Source: ¹ See Schedule 6 for taxable value of property
² See Schedule 19 for population



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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Jordan School District ¹	\$ 144,140,946	32.99%	\$ 47,550,172
Salt Lake County General Obligation Debt ²	200,547,799	6.51%	13,050,817
Other debt			
Salt Lake County Sales Tax Bonds ²	192,462,069	9.88%	19,022,075
Salt Lake County Lease Revenue Bonds ²	53,509,612	9.88%	5,288,647
Salt Lake County Capital Leases ²	370,764	9.88%	36,645
Salt Lake County Transportation Rev. Bonds ²	94,003,606	9.88%	9,290,889
Salt Lake County Notes Payable ²	66,674,470	9.88%	6,589,801
Subtotal, overlapping debt			100,829,046
City of West Jordan			40,026,018
Total direct and overlapping debt			\$ 140,855,064

Notes:

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

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

Source: ¹ Jordan School District Comprehensive Annual Financial Report for year ended June 30, 2018
² Salt Lake County Comprehensive Annual Financial Report for year ended June 30, 2018



SCHEDULE 16 – LEGAL DEBT MARGIN

Last Ten Fiscal Years

(Amounts expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit										
General										
(4% Fair Cash Value)	\$ 463,208	\$ 419,260	\$ 378,585	\$ 355,303	\$ 332,159	\$304,733	\$ 285,547	\$ 296,801	\$ 304,360	\$ 308,834
Water and Sewer										
(4% Fair Cash Value)	463,208	419,260	378,585	355,303	332,159	304,733	285,547	296,801	304,360	308,834
Total 8% Debt Limit	926,416	838,520	757,170	710,606	664,318	609,466	571,094	593,602	608,720	617,668
Total Net Debt										
Applicable to Limit	4,140	4,785	5,420	6,045	6,665	7,260	7,700	8,210	8,685	9,145
Legal Debt Margin	\$ 922,276	\$ 833,735	\$ 751,750	\$ 704,561	\$ 657,653	\$ 602,206	\$ 563,394	\$ 585,392	\$ 600,035	\$ 608,523
Total Net Debt Applicable to the Limit										
as a % of Debt Limit	0.45%	0.57%	0.72%	0.85%	1.00%	1.19%	1.35%	1.38%	1.43%	1.48%

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

Fiscal Year	Sales Tax			
	Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2019	\$ 20,933,636	\$ 960,000	\$ 125,561	19.28
2018	19,922,143	945,000	140,716	18.35
2017	18,583,140	920,000	174,154	16.98
2016	17,371,482	905,000	193,546	15.81
2015	16,845,871	310,000	72,822	44.00
2014	15,976,144	-	24,396	N/A
2013	15,161,672	-	-	N/A
2012	14,467,761	1,725,000	94,875	7.95
2011	13,559,906	1,635,000	184,800	7.45
2010	13,404,929	1,550,000	250,675	7.44

Fiscal Year	Tax Increment			
	Tax Increment Revenue	Debt Service		Coverage
		Principal	Interest	
2019	\$ 4,021,956	\$ 755,000	\$ 146,030	4.46
2018	3,722,099	665,000	146,030	4.59
2017	3,780,491	700,000	65,938	4.94
2016	4,136,309	650,000	100,388	5.51
2015	3,824,806	655,000	135,103	4.84
2014	3,398,395	690,000	171,466	3.94
2013	2,794,439	735,000	209,686	2.96
2012	2,282,629	770,000	249,341	2.24
2011	2,651,201	790,000	289,315	2.46
2010	2,714,436	1,085,000	341,565	1.90

Fiscal Year	HUD Contract Payable			
	Community Development Block Grant Revenue	Debt Service		Coverage
		Principal	Interest	
2019	\$ 496,699	\$ 150,000	\$ 7,455	3.15
2018	553,442	145,000	11,905	3.53
2017	684,322	140,000	15,877	4.39
2016	455,691	135,000	19,224	2.95
2015	500,955	130,000	21,879	3.30
2014	514,068	125,000	23,886	3.45
2013	647,419	120,000	25,240	4.46
2012	496,435	115,000	26,078	3.52
2011	613,096	110,000	98,865	2.94
2010	451,102	105,000	106,740	2.13

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



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

Water Revenue Bonds						
Fiscal Year	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 23,783,264	\$ 17,562,716	\$ 6,220,548	1,630,000	285,700	3.25
2018	20,800,973	16,650,766	4,150,207	1,635,000	279,536	2.17
2017	18,291,855	17,402,966	888,889	675,000	111,430	1.13
2016	16,955,828	14,965,284	1,990,544	665,000	126,060	2.52
2015	16,965,634	13,657,873	3,307,761	650,000	140,542	4.18
2014	17,001,425	12,816,500	4,184,925	695,000	93,949	5.30
2013	16,172,170	11,593,674	4,578,496	680,000	41,576	6.35
2012	15,822,089	11,362,423	4,459,666	820,000	66,057	5.03
2011	13,678,673	10,425,154	3,253,519	1,035,000	68,819	2.95
2010	12,330,587	10,044,419	2,286,168	1,425,000	101,065	1.50

Storm Drain Revenue Bonds						
Fiscal Year	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 5,104,543	\$ 2,489,622	\$ 2,614,921	625,000	102,869	3.59
2018	4,359,885	2,138,785	2,221,100	610,000	114,642	3.07
2017	4,750,119	1,584,739	3,165,380	585,000	138,176	4.38
2016	N/A	N/A	N/A	-	-	N/A
2015	N/A	N/A	N/A	-	-	N/A
2014	N/A	N/A	N/A	-	-	N/A
2013	N/A	N/A	N/A	-	-	N/A
2012	N/A	N/A	N/A	-	-	N/A
2011	N/A	N/A	N/A	-	-	N/A
2010	N/A	N/A	N/A	-	-	N/A

Notes:

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

¹ Revenues include interest and impact fees

² Expenses exclude depreciation



SCHEDULE 19 – DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Year	Population ¹	Personal Income ¹	Per Capita Personal Income ²	Unemployment Rate ³
2019	116,046	5,984,608,266	51,571	3.0%
2018	113,921	5,632,823,845	49,445	3.1%
2017	113,699	5,450,388,963	47,937	3.2%
2016	111,273	5,168,964,669	46,453	3.4%
2015	110,171	4,809,294,663	43,653	3.7%
2014	108,362	4,521,296,088	41,724	4.4%
2013	108,062	4,448,048,044	41,162	5.3%
2012	106,954	4,154,200,314	38,841	6.6%
2011	106,286	3,877,313,280	36,480	7.7%
2010	104,969	3,790,220,652	36,108	7.1%

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



SCHEDULE 20 – PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jordan School District	3,430	1	5.49%	3,165	1	9.65%
Smith's Food and Drug	789	2	1.26%	364	9	1.11%
Jordan Valley Medical Center	767	3	1.23%	740	2	2.26%
West Jordan City	639	4	1.02%	552	5	1.68%
Snugz USA Inc	555	5	0.89%			
Sysco Intermountain Food Services	443	6	0.71%	449	6	1.37%
SME Industries	375	7	0.60%	375	8	1.14%
Wal-Mart	372	8	0.60%	581	3	1.77%
Mountain America Credit Union	258	9	0.41%	392	7	1.19%
National Benefit Services LLC	254	10	0.41%			
Fairchild Sem-conductor				575	4	1.75%
Copper Hills Youth Center				260	10	0.79%
	<u>7,882</u>		<u>12.62%</u>	<u>7,453</u>		<u>22.71%</u>

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



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

<u>Function/Program</u>	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government	67	67	66	73	72	68	66	58	57	62
Community development	39	39	38	25	23	21	21	24	27	31
Public safety										
Police	157	152	152	146	146	147	148	141	143	143
Fire	95	86	86	85	85	85	85	85	86	86
Highways & public improvements	55	55	55	48	48	46	43	41	42	46
Parks, recreation and culture	17	17	17	16	16	15	16	15	15	18
Fleet management	8	8	8	8	8	6	7	7	9	9
Risk management	0	0	0	0	0	0	0	0	0	0
Water	19	19	19	20	20	18	18	18	18	18
Sewer	15	15	12	12	12	10	10	10	11	11
Solid Waste	2	2	2	1	1	1	1	1	1	1
Storm Water	15	15	15	6	6	4	4	2	2	2
Total full-time equivalent employees	489	475	470	440	437	421	419	402	411	427
Part-time and/or seasonal employees	150	148	150	149	152	154	143	136	127	125
Total Employees	639	623	620	589	589	575	562	538	538	552

Source: West Jordan Adopted Budgets



SCHEDULE 22 – OPERATING INDICATORS
Last Ten Fiscal Year

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Community development										
Residential building permits issued	1,490	1,644	2,003	1,406	965	809	727	682	611	770
Commercial building permits issued	298	277	237	226	229	197	186	211	188	232
Police										
Calls for service	59,048	57,662	60,645	64,019	64,291	60,017	61,501	62,414	66,820	65,186
Arrests	2,846	2,474	2,846	3,677	2,900	2,981	3,042	3,514	3,654	3,719
Violations cited	14,000	13,348	13,797	15,165	13,868	12,144	11,113	13,170	14,610	13,686
Fire										
Medical responses	5,317	5,523	4,950	4,191	4,341	3,902	3,798	3,792	3,562	3,441
Fire responses	1,939	1,434	1,280	1,059	1,934	1,760	1,879	1,218	1,233	1,286
Water										
Customers Residential	22,490	22,050	21,679	21,544	21,055	20,761	20,545	20,315	20,072	19,923
Customers Commercial	1,783	1,755	1,749	1,664	1,657	1,605	1,567	1,569	1,549	1,489
Average daily consumption (in millions of gallons)	19.10	19.85	20.50	19.05	17.49	18.52	18.82	18.53	16.60	16.02
Sewer										
Sewer line miles inspected	46	33	27	23	13	20	18	22	39	41
Sewer line miles cleaned	50	90	94	111	88	87	83	93	124	112



SCHEDULE 23 – CAPITAL ASSETS
Last Ten Fiscal Years

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police										
Patrol units ¹	12	13	13	29	49	77	77	77	77	77
Fire										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	6	6	6	6	6	6	6	6	6	6
Ambulances	5	6	6	5	5	5	5	5	5	5
Public works										
Streets (miles)	358	353	343	339	336	334	329	329	316	309
Parks & recreation										
Acreage	358	347	342	354	354	348	338	336	331	329
Baseball/softball diamonds	20	20	19	19	19	19	19	19	19	19
Soccer fields	18	18	20	20	20	20	20	20	20	20
Water										
Water mains (miles) ²	360	362	378	380	436	439	445	417	417	421
Storage capacity (millions of gallons)	41.5	37.5	37.5	37.5	37.5	30.5	30.5	30.5	30.5	30.5

Notes:

¹ In 2015, the City began to lease (rent) patrol vehicles on a three-year rotational basis. The program was phased in over a three-year period.

² In 2017, the City refined the process for recording water main infrastructure resulting in a net reduction to the water main miles.

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



West Jordan City Hall