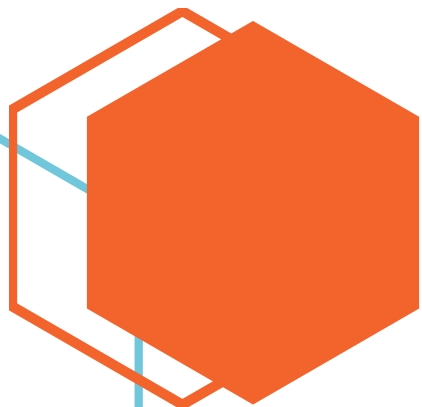




CITY OF WEST JORDAN

Comprehensive Annual Financial Report
For Fiscal Year Ended June 30, 2020



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

City of West Jordan Finance Department

Danyce Steck, CPFO – Administrative Services Director
Frank Evans – Controller
Tyler Aitken – City Treasurer
Jeremy Olsen, Sr Management Analyst
Joe Bryant – Purchasing Manager
Michelle Thompson – Accountant II



CITY OF WEST JORDAN, UTAH



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INTRODUCTORY SECTION



For Fiscal Year Ended June 30, 2020



West Jordan City Hall

December 2, 2020

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, 2020 is submitted herewith. This report has been prepared by the City's Administrative Services 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, 2020, 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, 2020 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 Administrative Services 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.

In November 2017, the citizens of West Jordan voted to approve a change in the form of government from Council-Manager to Council-Mayor. The effective date of this change is January 6, 2020. This change assigns the executive functions of the City to the elected mayor and the legislative functions of the City to an elected seven-member council. The Council is responsible for passing ordinances, adopting the budget, as well as appointing committees. The Mayor is responsible for carrying out the ordinances and policies adopted by the City Council as well as managing the day-to-day operations of the City including but not limited to organizing the departments and services within the appropriated budget.

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 State of Utah's 2020 Economic Report to the Governor, the Utah economy continues to prosper. Like the nation, the state's decade-long economic expansion became the longest on record in 2019. Every major industrial sector expanded over the last year, adding 45,600 new jobs to the economy. The annual employment growth rate of 3.0 percent in 2019 was at the state's long-term average.

Utah's population grew by 53,600 to reach 3.2 million in 2019. About 47 percent of this growth came from net in-migration as people moved to the state to take advantage of economic opportunity.

The consensus forecast predicts increasing uncertainty and moderation. The emergence of COVID-19 in March 2020 resulted in a serious, short-term shock to the State and local economies. Despite a grim outlook provided at the start of the second quarter of the calendar year, positive signs of recovery have emerged. The double-digit loss projections presented in early spring have largely been avoided. As the year comes to an end, Utah's economy has been named the strongest in the nation.

Local Economy

The City of West Jordan offers a diverse environment for economic development. Featuring the largest contiguous acreage of undeveloped land in Salt Lake County (more than 3,000 acres), West Jordan is one of only two areas remaining in the County where new large-scale industrial development can take place. In addition, the City's resident labor force represents just over 10% of Salt Lake County's which has proven to be a major asset in attracting commercial and industrial development.

West Jordan is currently home to Boeing's 700,000 square-foot manufacturing facility, Dannon's second-largest U.S. food manufacturing facility, a 200,000 square-foot Oracle data center, Sysco Intermountain Foods, and most recently a 1,200,000 Amazon Fulfillment Center (opened in 2020).

Led by the Community Development Department, the City is working with several major developers to master plan the community to blend industrial development with complementary commercial and residential communities. The economic impact of these developments is not only important for the City but also the State of Utah.

The City is equally committed to redevelopment and revitalization efforts within the more developed city center. As an example of this commitment, the City worked to create interest in a company to occupy a vacant semiconductor manufacturing facility. Aligned Energy became the occupant and retrofit the facility to a state-of-the-art adaptable data center that now serves PayPal and other customers. In early-2020, Aligned Energy began construction to create a 450,000 square-foot campus to host additional customers. The project will also create new retail pad sites along a major transportation corridor.

While many parts of the nation are feeling the negative economic impacts of the health pandemic, the City's local economy has stayed the course. While many businesses such as hotels, movie theaters and other entertainment companies continue to experience challenges, the City's grocery, general merchandise retailers (Target, WalMart, etc), and restaurants have experienced significant growth in sales which have translated into 12.1% growth in sales tax revenue for the period of March through June 2020.

The City has continued to support businesses with resources to assist them in identifying ways to deliver goods and services in the current environment. Because of the economic investment and foundation built by the City over the last several years, the changes forced on us by COVID-19 have provided an opportunity for innovation and continued development.

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.

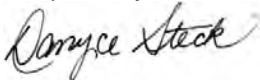
Awards & Acknowledgements

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, 2019. This marks the 38th 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 Administrative Services Department staff and Keddington and Christensen LLC. Each member of the team has our sincere appreciation for the contributions made in the preparation of this report. 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.

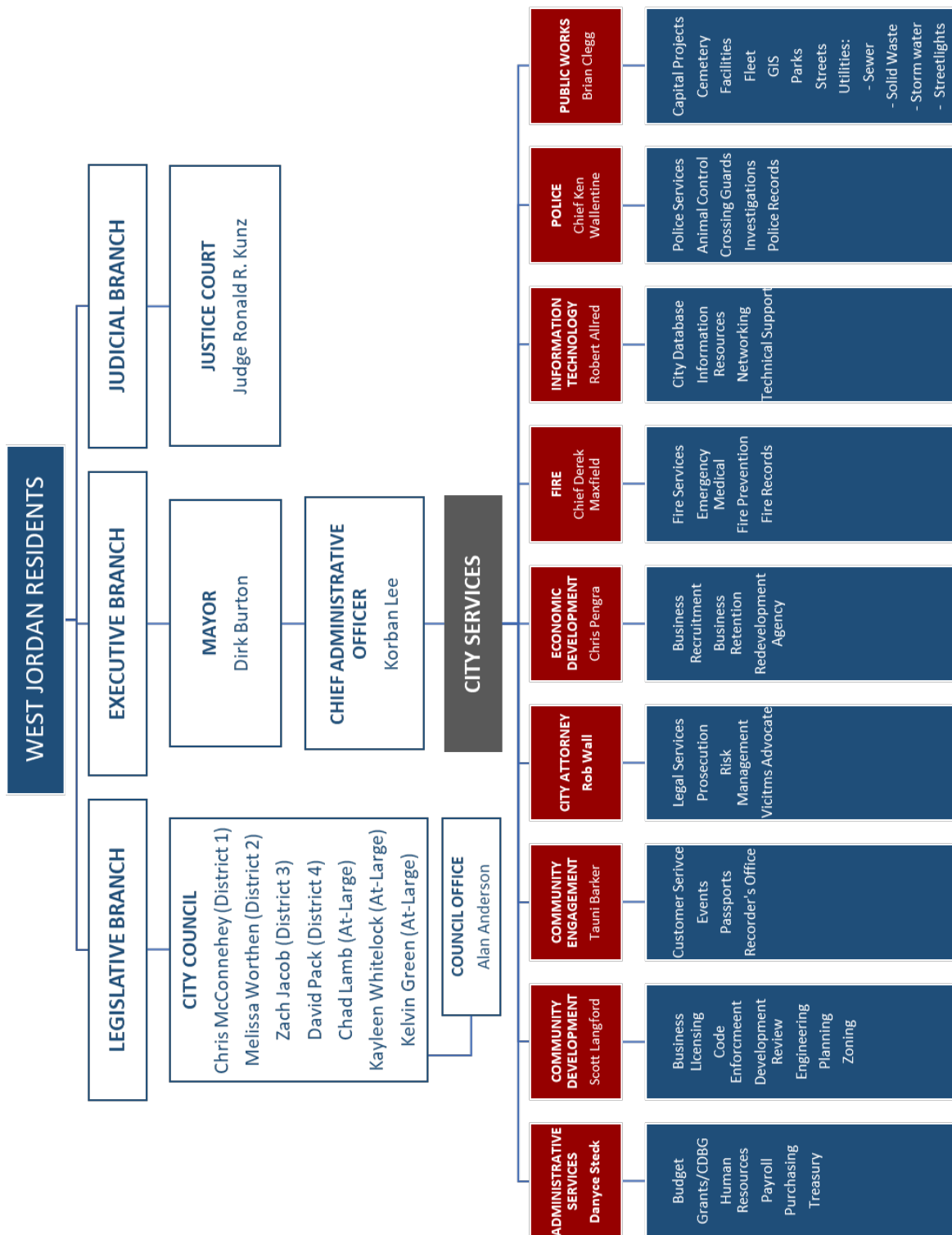
Respectfully Submitted,



Danyce Steck, CPFO
Administrative Services Director



ORGANIZATIONAL CHART





ELECTED OFFICIALS AND ADMINISTRATION

Elected Officials

Mayor	Dirk Burton
Councilmember At-large	Chad Lamb
Councilmember At-large	Kayleen Whitelock
Councilmember At-large (Council Vice-Chair).....	Kelvin Green
Councilmember – District 1 (Council Chair).....	Chris McConnehey
Councilmember – District 2	Melissa Worthen
Councilmember – District 3	Zach Jacob
Councilmember – District 4	David Pack

Appointed by Mayor and Council

Chief Administrative Officer	Korban Lee
City Attorney	I. Robert Wall
City Engineer	Nathan Nelson
City Recorder	Tangee Sloan
City Treasurer	Tyler Aitken
Budget Officer	Mayor Dirk Burton
Municipal Court Judge	Ronald Kunz

Management Team

Mayor	Dirk Burton
Chief Administrative Officer	Korban Lee
City Attorney	Robert Wall
Director of Administrative Services	Danyce Steck
Director of Community Engagement	Tauni Barker
Director of Community Development	Scott Langford
Director of Economic Development	Chris Pengra
Director of Information Technologies	Robert Allred
Director of Public Works	Brian Clegg
Fire Chief	Derek Maxfield
Municipal Court Judge	Ronald Kunz
Police Chief	Ken Wallentine



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of West Jordan
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

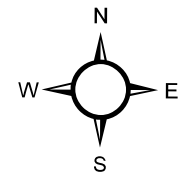
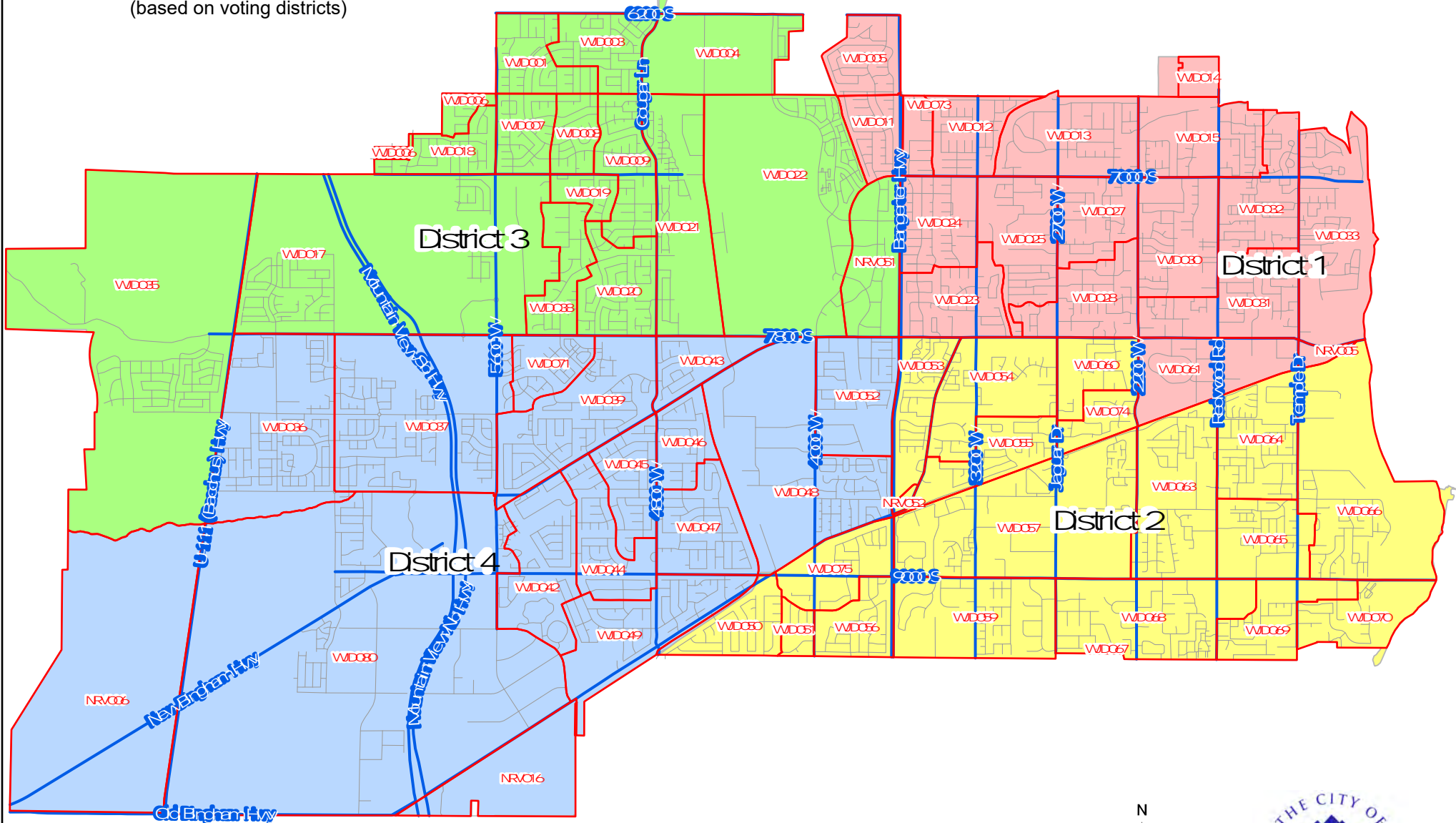
June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY MAP

(based on voting districts)



FINANCIAL SECTION



For Fiscal Year Ended June 30, 2020



Mayor speaks prior to the signing of a joint resolution on diversity - June 2020



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 the City of West Jordan, Utah as of and for the year ended June 30, 2020, 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 the City of West Jordan, Utah as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20-42, budgetary comparison information on pages 112-114, and pension schedules on pages 115-118, 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 the 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied 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 1, 2020, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City of West Jordan, Utah's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of West Jordan, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 1, 2020

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, 2020. 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 2020 by \$607,136,914 (net position). Of this amount, \$47,816,584 (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 \$39,032,989. Of this increase, \$18,922,555 (48.5%) is attributable to governmental activities, and \$20,110,434 (51.5%) to business-type activities.

The increase for governmental activities can be attributed to a combination of several factors - the receipt of \$8.05 million in donated infrastructure, strong development growth which resulted in fees, property and sales tax growth, and federal grant programs to assist in continuing services during the health pandemic. Operational spending includes a significant and one-time purchase of land in the amount of \$7.0 million. When this purchase is removed from the analysis, operational spending decreased by \$5.69 million (7.8%) from the prior year. This decrease is attributed to one-time savings that occurred as a result of the beginning of the health pandemic. During the period of March through June, services were focused on public safety and public health while other services that normally occur in the spring and early summer were cancelled (i.e. rodeo, road maintenance, parks maintenance, conferences, etc). In addition, the City completed several large capital projects in the current year that were at substantially completion in the prior year (i.e. public works building, Wild West Playground, etc).

The increase for business-type activities is due to the first full-year collection of rate increases adopted in February 2019 (\$11.5 million), and \$5.87 million in donated infrastructure. Operational spending increased by \$2.97 million (6.9%) due to the cost of sewer treatment and disposal as well as the City's continued focus on water system improvements (radio-read metering system).

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$54,623,227. This is an increase of \$3,379,766 from the prior fiscal year. This is largely due to the receipt of permitting and impact fees related to new development and federal funding for assistance during the health pandemic.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,605,515 or 18.6 percent of actual general fund revenues. The General Fund's net change of fund balance was an intentional decrease of (\$923,695) due to a large transfer to restore the unassigned fund balance in CIP Fund to a positive position.
- The City's total long-term liabilities (excluding net pension liability) decreased by (\$6,705,298), or 12.2 percent. This is largely due to the repayment of bond and lease principal in the amount of \$6,196,377.

REPORT OVERVIEW

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

FUND FINANCIAL STATEMENTS

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

A. Governmental Funds

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

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

FUND FINANCIAL STATEMENTS

A. Governmental Funds (continued)

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

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

At June 30, 2020, the City's combined governmental fund balance is \$54,623,227. Of that balance, \$21,899,419 is restricted, \$21,118,293 is assigned, and \$11,605,515 is unassigned. Additional details regarding governmental fund balances can be found in Note 1 and Note 21 of the Notes to the Financial Statements of this report.

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

The City maintains the following eleven (11) individual governmental funds:

- General Fund
- Redevelopment Agency Fund (RDA)
- Capital 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
- Police Impact Fee Fund
- Fire Impact Fee 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 these funds to demonstrate budgetary compliance.

FUND FINANCIAL STATEMENTS (continued)

B. Proprietary Funds

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

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

Internal service funds are used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses internal service funds to account for the acquisition and maintenance of its vehicles and equipment in the Fleet Management Fund, the management of its information technology infrastructure in an IT Management Fund, 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.

B. 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.

C. Required Supplementary Information (RSI)

This section contains budget to actual comparison statements for the City's General Fund and Redevelopment Agency Fund. This section also contains required supplementary information for the City's pension program.

D. 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 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Current and noncurrent assets	\$ 101,653,906	\$ 92,879,048	\$ 39,732,522	\$ 33,156,334	\$ 141,386,428	\$ 126,035,382
Capital assets	349,440,639	336,166,196	224,609,522	214,389,157	574,050,161	550,555,353
Total assets	451,094,545	429,045,244	264,342,044	247,545,491	715,436,589	676,590,735
Total deferred outflows of resources	8,371,197	14,300,545	620,380	1,067,074	8,991,577	15,367,619
Long-term liabilities	37,093,932	41,440,288	11,356,012	13,714,954	48,449,944	55,155,242
Net pension liability	8,741,677	17,693,191	656,916	1,333,172	9,398,593	19,026,363
Other liabilities	25,276,557	21,318,966	6,085,390	7,216,259	31,361,947	28,535,225
Total liabilities	71,112,166	80,452,445	18,098,318	22,264,385	89,210,484	102,716,830
Total deferred inflows of resources	27,565,075	21,027,398	515,693	110,201	28,080,768	21,137,599
Net position:						
Net investment in capital assets	311,650,755	294,646,335	217,290,926	204,277,734	528,941,681	498,924,069
Restricted	22,525,824	21,247,090	7,852,825	7,440,755	30,378,649	28,687,845
Unrestricted	26,611,922	25,972,521	21,204,662	14,519,490	47,816,584	40,492,011
Total net position	\$ 360,788,501	\$ 341,865,946	\$ 246,348,413	\$ 226,237,979	\$ 607,136,914	\$ 568,103,925

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 \$607,136,914 as of June 30, 2020. This is an increase of \$39,032,989 from the previous fiscal year.

As of June 30, 2020, the City can report positive balances in all three categories of net position – government-wide, governmental activities, and business-type activities.

All funds reported positive fund balances for all categories of net position.

- *Net Investment in Capital Assets* - By far the largest portion of the City’s position (87.1%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, equipment, intangibles, and construction in progress), less any outstanding related debt used for acquisition of those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- *Restricted Net Position* – This portion of net position represents resources that are subject to external restrictions on how they may be used. Impact fee reserves, state fund reserves, funds restricted for redevelopment, debt service reserves, and federal fund reserves qualify under this category.
- *Unrestricted Net Position* - The amount reported as unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

The following table summarizes the City's operations:

	Governmental activities		Business-type activities		Total	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Revenues						
Program revenues						
Charges for services	\$ 16,234,388	\$ 12,603,419	\$ 56,524,055	\$ 45,020,205	\$ 72,758,443	\$ 57,623,624
Operating grants and contributions	9,194,818	6,160,722	-	-	9,194,818	6,160,722
Capital grants and contributions	11,833,145	13,746,334	5,874,120	6,561,000	17,707,265	20,307,334
General revenues						
Sales tax	24,666,933	20,933,636	-	-	24,666,933	20,933,636
Property tax	17,458,532	16,732,884	-	-	17,458,532	16,732,884
Tax increment	4,262,252	4,021,956	-	-	4,262,252	4,021,956
Franchise tax	7,382,471	7,456,661	-	-	7,382,471	7,456,661
Investment income	1,012,280	1,454,030	421,093	567,293	1,433,373	2,021,323
Gain on disposal of assets	25,617	176,218	13,800	-	39,417	176,218
Miscellaneous	1,371,572	716,155	-	-	1,371,572	716,155
Total revenues	93,442,008	84,002,015	62,833,068	52,148,498	156,275,076	136,150,513
Expenses						
General government	10,332,371	9,868,197	-	-	10,332,371	9,868,197
Community development	12,545,630	4,383,739	-	-	12,545,630	4,383,739
Public safety	33,837,711	33,467,506	-	-	33,837,711	33,467,506
Highways & public improvements	10,849,796	17,792,366	-	-	10,849,796	17,792,366
Parks, recreation, and culture	5,684,835	6,347,331	-	-	5,684,835	6,347,331
Debt - Interest and fiscal charges	1,269,110	1,007,046	-	-	1,269,110	1,007,046
Water	-	-	22,152,872	21,237,890	22,152,872	21,237,890
Sewer	-	-	11,323,226	9,689,704	11,323,226	9,689,704
Solid waste	-	-	4,867,535	4,514,868	4,867,535	4,514,868
Storm water	-	-	3,949,958	4,027,184	3,949,958	4,027,184
Streetlight	-	-	429,043	286,164	429,043	286,164
Total expenses	74,519,453	72,866,185	42,722,634	39,755,810	117,242,087	112,621,995
Increase (decrease) in net position before transfers	18,922,555	11,135,830	20,110,434	12,392,688	39,032,989	23,528,518
Transfers - net	-	-	-	-	-	-
Increase (decrease) in net position	18,922,555	11,135,830	20,110,434	12,392,688	39,032,989	23,528,518
Net position at beginning of year	341,865,946	330,730,116	226,237,979	213,845,291	568,103,925	544,575,407
Net position at end of year	\$ 360,788,501	\$ 341,865,946	\$ 246,348,413	\$ 226,237,979	\$ 607,136,914	\$ 568,103,925

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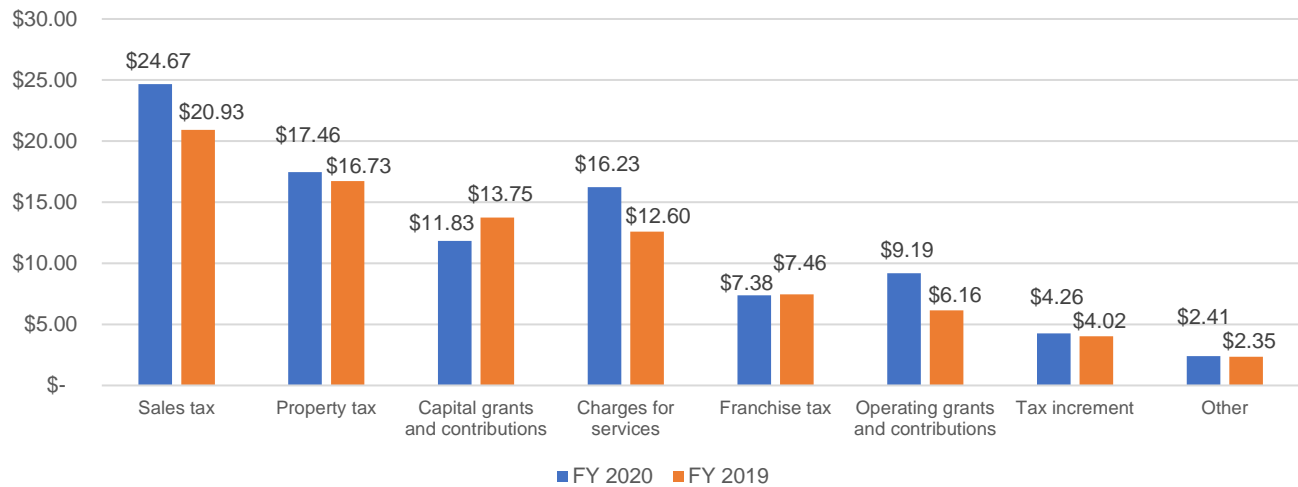
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities – Governmental activities increased the City’s net position by \$18,922,555, which is approximately \$7.79 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 \$9.44 million (11.2%) from the prior year due to the following factors:

- In FY 2020, the State legislature authorized a new sales tax dedicated to transportation and its associated infrastructure and maintenance. This year, the City recognized \$2.01 million from this new revenue source. In addition, the sales tax base realized growth of \$1.7 million (8.2%). Property tax also realized a slight increase due to growth and development.
- This fiscal year, the City received applications for several large developments – both residential and industrial. A new Amazon fulfillment center, an expansion of the Aligned Energy campus, and several residential projects provided for most of the increase in charges for services in the form of permitting and impact fee revenue.
- Operating grants and contributions increased as federal funds were authorized to assist municipalities in their response to the health pandemic. A portion of those funds were used this fiscal year, however, most funds will be recognized and expended in the next fiscal year. This fiscal year, the City reported approximately \$1.7 million in this type of funding.

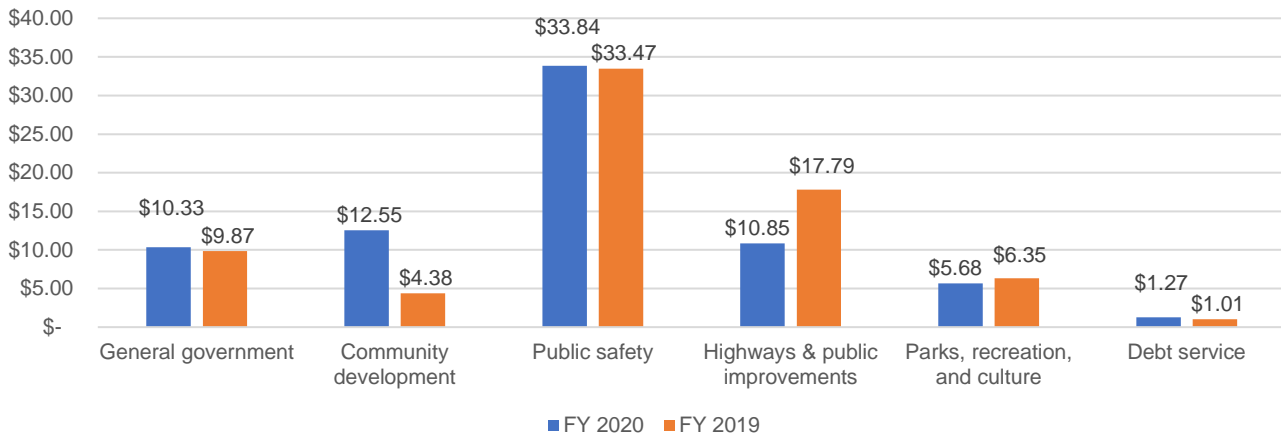
*Governmental Activities Revenue
 Year to Year Comparison
 (in millions of \$'s)*



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Total expenditures for governmental activities overall increased \$1,653,268 which was a 2.3 percent change from the previous year. The significant increase in community development is related to the purchase of a large parcel of land by the redevelopment agency (\$7.0 million). The significant decrease in public improvements is due to the completion of the construction of the public works building and other significant road projects which were underway in the prior fiscal year.

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



Business-type Activities – Business-type activities increased the City’s net position by \$20,110,434. Key elements affecting this change in business-type net position are as follows:

Total business-type activities revenue increased by \$10.68 million (7.8%). This is the first full year recognizing a rate increase that was effective in February 2019.

Total business-type activities expense increased by approximately \$2.97 million from the prior year. A little more than half of this increase (\$1.63 million) is attributed to the sewer utility for the continued cost of expansion and upgrading of the sewer treatment plant. Approximately 30.1% (\$914,982) of this increase is the Water Fund as the utility increased meter replacements and worked towards the installation of a remote meter-reading system.

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FUND ANALYSIS

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

A. Governmental Funds

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

The following funds are classified as governmental funds of the City:

- General Fund
- Redevelopment Agency Fund
- Capital 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
- Police Impact Fee Fund
- Fire Impact Fee Fund

As of June 30, 2020, the City's governmental funds reported combined fund balances of \$54,623,227. This represents an increase of \$3,379,766 from last year's ending balances.

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* - None
- *Restricted* - \$ 21,899,419, or 40.1%
- *Assigned* - \$21,118,293 or 38.7%
- *Unassigned* - \$11,605,515, or 21.2%

FUND ANALYSIS (continued)

A. Governmental Funds (continued)

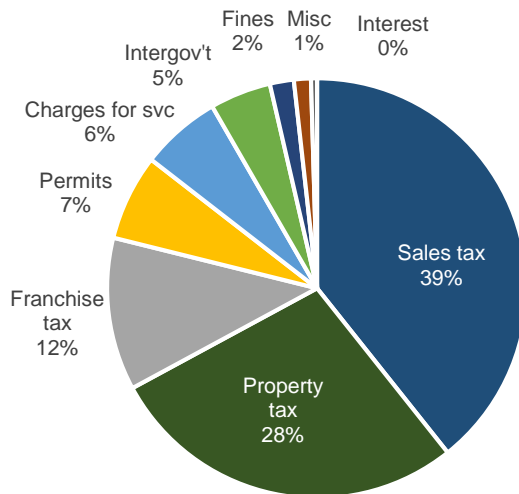
General Fund

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Expenditures exceeded revenues (including other financing sources and uses) by \$923,695.

A transfer of \$7,704,006 to the capital projects fund was completed during the fiscal year. This transfer was intended to restore reserves in the Capital Improvement Fund (CIP) which ended the prior fiscal year with a negative unassigned fund balance of (\$4,855,381). The assigned fund balance on June 30, 2020 is \$2,505,756. See Note 21 in the Notes to the Financial Statements for more detail.

The budget authorized a transfer of \$850,000 to the CIP Fund, however as the fiscal year ended and funds were available to restore reserves, the City transferred an additional amount of \$6,854,006. These funds were considered one-time savings recognized in the last quarter of the fiscal year as the City began to focus all its resources on its response to the health pandemic. Normal services such as events, parks maintenance, road maintenance, etc were cancelled or delayed as critical services were provided. This extraordinary period realized significant savings from the diversion of normal services.

General Fund Revenue by Type



General Fund Revenues

General Fund revenue increased by \$8,057,395 (14.8%) from the prior year from four (4) sources – sales tax, permits, intergovernmental assistance, and property tax.

Taxes continue to be the largest source of revenue in the general fund and represent 79.2% of total general fund revenues. The largest component of tax revenue is sales tax, which represents 49.8% of tax revenues and 39.5% 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.

- In FY 2020, the base sales tax realized growth of \$1.7 million (8.2%). Prior to the pandemic, the City was averaging base sales tax revenue growth of approximately 6.2 percent. However, as the pandemic began, the City's grocery and general merchandise retailers (Target and Walmart) experienced strong sales. In addition, online sales doubled. These retail categories compensated for the many others that were no longer providing goods or services for the last quarter of the year. Between March 2020 and June 2020, sales tax revenue realized an increase of 12% from the same period in the prior year.
- In FY 2019, the State legislature authorized a new sales tax dedicated to transportation and its associated infrastructure and maintenance. FY 2020 is the first year the City received this new revenue source (\$2.01 million).

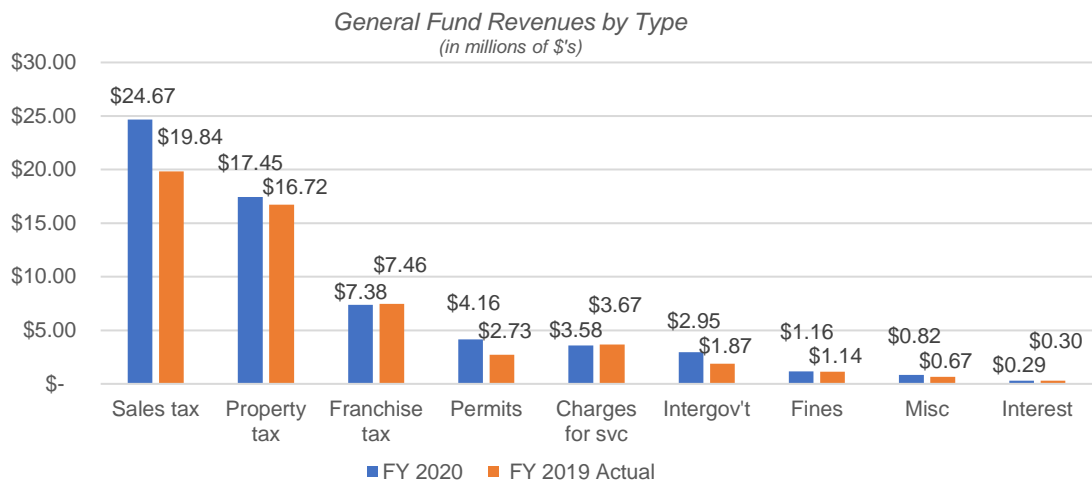


FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

- Intergovernmental revenue increased as federal funds were authorized to assist municipalities in their response to the health pandemic. This fiscal year, the City reported approximately \$1.7 million in this type of funding.
- This fiscal year, the City received applications for several large developments – both residential and industrial. A new Amazon fulfillment center, an expansion of the Aligned Energy campus, and several residential projects provided for most of the increase in permit revenue (\$1,433,568).
- Property tax also realized a slight increase (\$725,409) due to growth and development.



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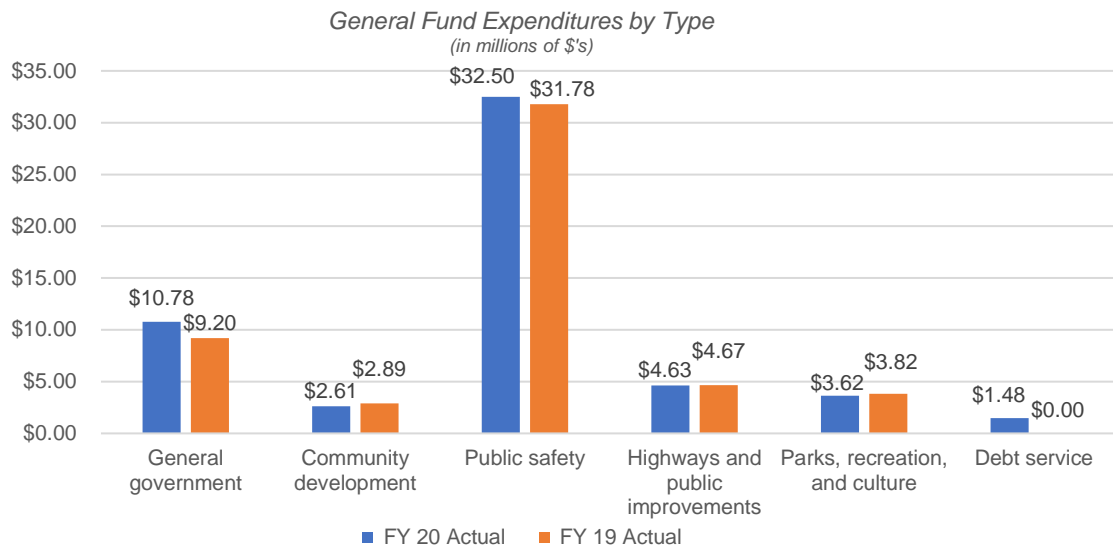
FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

General Fund Expenditures

General fund expenditures increased \$3,260,093 (6.2%) during fiscal year 2020 to \$55,623,419 from \$52,363,326 in 2019. Almost half of this increase (\$1,483,431) is the reclassification of debt service from the Capital Projects Fund to the General Fund. The remaining increase is due to several factors – the reorganization of the government structure, a reduction of personnel vacancies, a payout of leave balances for employees who chose an early retirement option or were included in a reduction in force, and the cost of an election (every other year).



Reorganization of Government Structure

In November 2017, the citizens of West Jordan voted to approve a change in the form of government from Council-Manager to Council-Mayor. The effective date of this change is January 6, 2020. This change assigns the executive functions of the City to the elected mayor and the legislative functions of the City to an elected seven-member council. A separate Council Office and Mayor’s Office was created to support the different branches of the government. The Council is responsible for appropriating the budget while the Mayor is responsible for managing the day-to-day operations of the City including but not limited to organizing the departments and services within the appropriated budget.



(L-R) Judge Ronald Kunz, Councilmembers Zach Jacob, Chad Lamb, Melissa Worthen, Mayor Dirk Burton, Councilmembers Kayleen Whitelock, Kelvin Green, David Pack, and Christopher McConnehey



FUND ANALYSIS (continued)

A. Governmental Funds (continued)

General Fund (continued)

Early Retirement / Reduction in Force

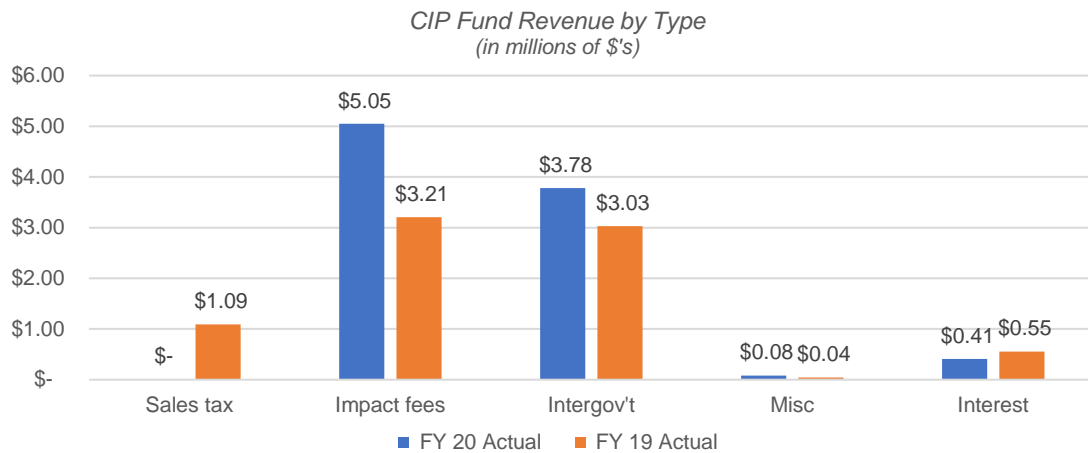
In April 2020, the City decided to reduce the General Fund budget to support financial sustainability and prepare for the potential financial impacts of the health pandemic. In response to this decision, the City opted to offer early retirement options and perform a reduction in force. These efforts had a one-time cost to the current fiscal year in the form of leave payouts and severance payments which are reported as general government expenses. This action is intended to mitigate uncertain economic changes while continuing to provide financial sustainability.

Capital Improvement Projects Fund

In prior years, police and fire impact fee activity was included in the CIP Fund. In FY2020, these activities were segregated into separate non-major governmental funds.

The Capital Improvement Projects (CIP) Fund balance increased by \$6,732,315 to a total of \$29,297,629 in FY 2020, or 30.5%. This was due to a transfer from the General Fund to restore negative unassigned reserves in the CIP Fund from the prior year.

In FY 2020, the CIP Fund reported an increase (57.4%) in impact fee revenue related to development to \$5,047,729 from \$3,206,853. The Fund also reported an increase in intergovernmental revenue related to state funds for property acquisition and road construction.



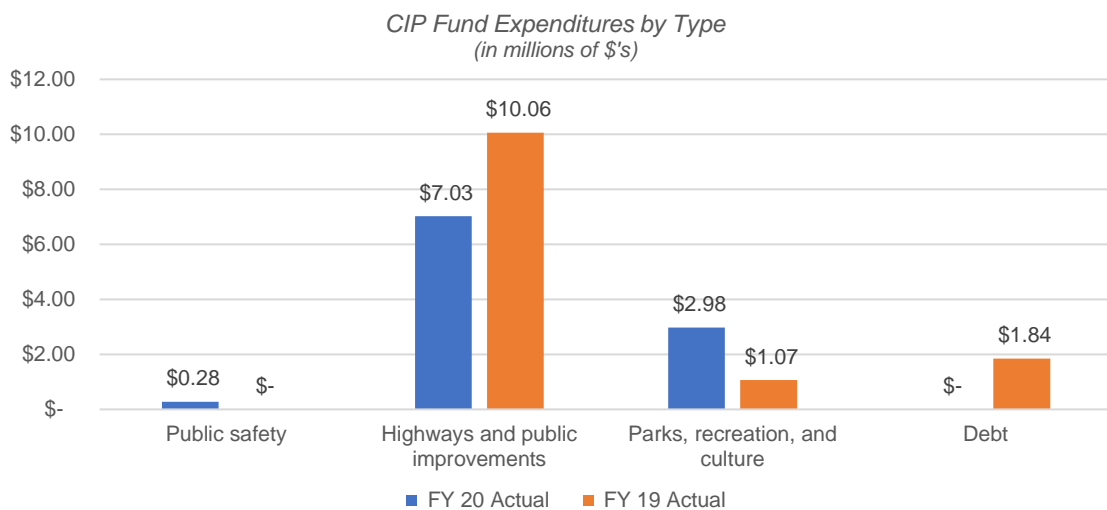
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FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Capital Improvement Projects Fund (continued)

In prior years, the CIP Fund reported both sales and property tax revenue related to the debt service of the Series 2013, Series 2014, and Series 2015 bonds. In FY 2020, the City completed the transfer of this activity to the General Fund. In FY 2019, the CIP fund only reported enough of this revenue to satisfy the debt service. It is important to note this transition when comparing sales and property tax revenues between years in both the CIP Fund and the General Fund.



This fiscal year, the City continued construction on several state-funded road projects – 7800 South, 8600 South, and 1300 West.

In FY 2020, the City began and completed the reconstruction of the Wild West Playground (\$1.45m) in Veterans Memorial Park. This project was funded with proceeds from the sale of property as well as donations. In addition, the City continued to invest in the Jordan River Big Bend Project (a river restoration and urban fishery park).

Other improvements included \$378,536 in facility improvements, and \$275,519 in public safety equipment (SCBA's for the fire department)

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FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Redevelopment Agency Fund

The RDA fund balance decreased \$3,318,741 to a total of \$8,587,253.

During fiscal year 2020, property tax collections from redevelopment areas increased 6.0% percent to a total of \$4,262,252 from \$4,021,956 in FY 2019. This was due to growth in the several of the areas.

On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) calendar 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 14, 2019, the RDA approved Resolution 218 authorizing a participation agreement for the Amazon Fulfillment Center in the amount of \$1,575,000.

Other Non-major Governmental Funds

Class C Roads Fund

The Class C Roads fund balance ended the year at \$1,315,669 from \$995,586 in FY 2019. This fund was created in FY 2019 from the CIP Fund. The purpose of this fund is to account for the activities of state-allocated Class C roads revenue and the expenses related to the maintenance and improvements of these roads.

Revenues for this fund decreased to \$4,002,586 from \$4,154,331 in FY 2019. This was expected since the source for these funds is fuel sales. During the last quarter of the year, fuel sales dropped significantly as the health pandemic began and people sheltered in place.

Expenses in the current fiscal year increased to \$3,682,503 from \$1,686,135 in FY 2019. While this appears significant, FY 2020 was the first year all road maintenance activity was reported in this fund. Prior year maintenance was partially reported in both this fund and CIP Fund.

Community Development Block Grant

There were no significant changes in this fund.

Fairway Estates Fund

There were no significant changes in this fund.

Highland Special Improvement District

The District ended FY 2019 with a negative fund balance. In FY 2020, the General Fund transferred funds to subsidize services until such time as the District is reviewed for service levels by the Parks Department and the City Council. The District fund balance at the end of the year is \$0.

FUND ANALYSIS (continued)

A. Governmental Funds (continued)

Other Non-major Governmental Funds (continued)

Municipal Building Authority Fund



The Municipal Building Authority's fund balance ended the year at \$2,052,581 from \$2,081,814 in FY 2019. While there was little change in the fund balance, expenditures in this fund were significantly lower as construction on the public works building was complete in FY 2019. Bond proceeds have been spent in full and future activity in the fund will be limited to lease revenue and debt service on the Series 2016 lease revenue bonds.

Police Impact Fee Fund

This fund was created in FY 2020 and was created to account for the collection and use of the police impact fee. This activity was previously reported in the CIP Fund. Impact fee revenue increased due to several large industrial and residential developments. Expenses are related to the payment of 40% of the annual debt service for the Series 2013 sales tax revenue bond.

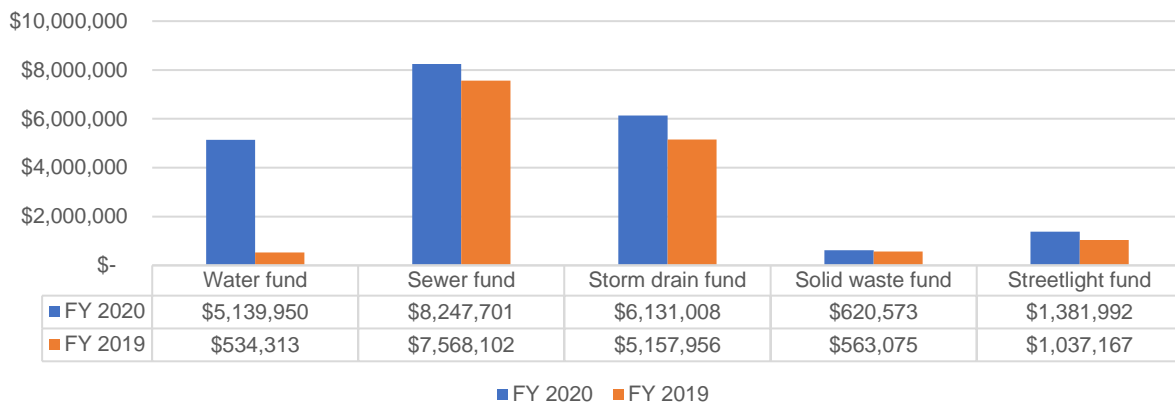
Fire Impact Fee Fund

This fund was created in FY 2020 and was created to account for the collection and use of the fire impact fee. This activity was previously reported in the CIP Fund. Impact fee revenue increased due to several large industrial and residential developments. Expenses are related to the payment of 60% of the annual debt service for the Series 2013 sales tax revenue bond.

B. Proprietary Funds

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

Unrestricted Net Position Year to Year Comparison



FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

Water Fund

The Water Fund's unrestricted net position increased this fiscal year by \$4,605,637 to a total of \$5,139,950, which was approximately 18.3% of the current fiscal year's revenues. In the previous fiscal year, the Water Fund had an unrestricted net position of \$543,313.

The Water Fund also has a restricted net position of \$4,689,314 million which consists of bond funds reserved for the construction of a water tank. The tank is currently under construction with an anticipated completion date of June 2021.

Revenue increased by \$5,730,777 (25.6%) over the previous year which is the result of water rate increases effective in February 2019.

Operating expenses increased by \$962,099 (4.6%) over the previous year due to an increase in meter replacements and maintenance to the system, as well as depreciation of the water system.

Sewer Fund

The Sewer Fund's unrestricted net position increased by \$679,599 to a total of \$8,247,701, which is 71.7% of the fund's current annual revenues. These reserves are intended to support the increased investment in the South Valley Water Reclamation Facility (SVWRF) required to comply with the new federal standards of the Environmental Protection Agency (EPA).

Revenue increased by \$1,607,080 (16.2%) over the previous year which is the result of a sewer rate increase effective in February 2019.

Operating expenses increased by \$1,651,105 (17.1%) from the previous fiscal year which is attributed to the increased cost of sewer treatment and disposal as well as an increase in sewer maintenance projects.

Storm Water Fund

The Storm Water Fund's unrestricted net position increased by \$973,052 from the previous fiscal year to a total of \$6,131,008. 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 \$494,132 (14.1%) over the previous year which is the result of a storm drain rate increase effective in February 2019.

Operating expenses decreased by (\$50,893) or (-1.3%) as capital projects reached completion and new projects entered the design and property acquisition phases.

(continued on next page)

FUND ANALYSIS (continued)

B. Proprietary Funds (continued)

Solid Waste Fund

The Solid Waste Fund's unrestricted net position increased by \$57,498 (10.2%) from the previous fiscal year to a total of \$620,573, which is 12.6% of the fund's current annual revenues.

Revenues increased by \$485,189 (9.8%) over the previous year which is the result of a rate increase effective in November 2018 as well as growth in services.



Operating expenses increased by \$275,139 (5.4%) 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 \$1,381,992. The City has intentionally been building reserves in this fund to be dedicated to adding streetlights to the system. By providing enough reserves to fund a larger project, the City can recognize more cost efficiency using the economies of scale.

Revenues increased by 4.9% over the previous year which was the result of growth. There were no rate changes during the year.

Operating expenses increased by \$142,879, or 49.9% from the previous year which is attributed to beginning of streetlight projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted revenues were amended from \$57,131,611 to \$57,204,470 (0.13% difference). Revenue budget adjustments made during the year were limited to \$72,859 in miscellaneous grant revenue.

General Fund budgeted expenditures were amended from an original budget total of \$59,528,342 to a final budget total of \$60,900,020 (2.3% difference). All departments monitor their budgets closely and are required to stay within their allotment. Expenditure budget adjustments made during the year were limited to general government purposes.

- \$1,000,000 for purchase of leave time from employees affected by an early retirement option and reduction in force; and
- \$312,500 for costs previously allocated to other funds for administrative overhead; and
- \$55,000 for public defenders



GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Budget to Actual Comparison

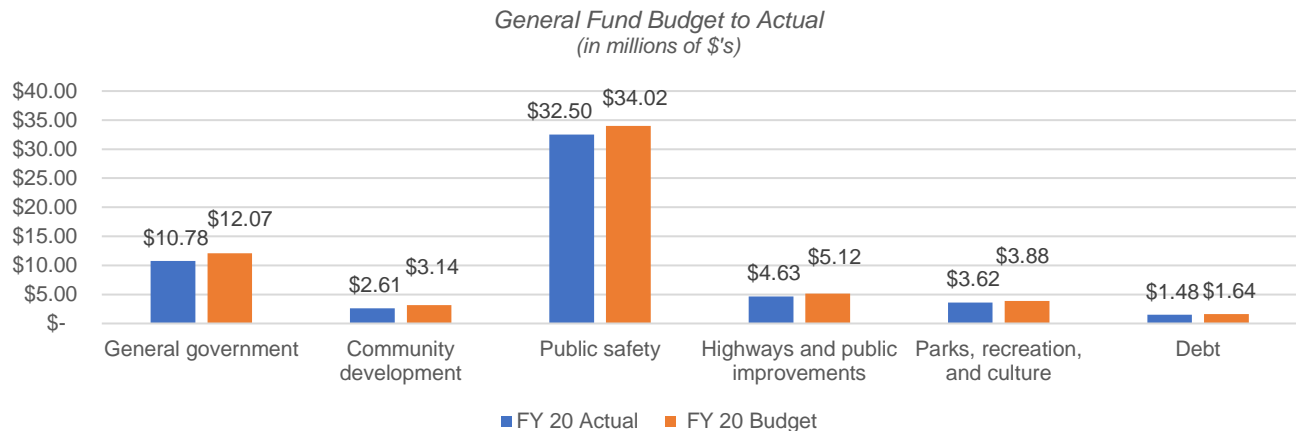
During the year, actual revenues were greater than budgeted revenues by \$5,256,633.

- \$1,914,401 for sales tax revenue due to stockpiling during the last quarter of the year; and
- \$1,549,114 for permitting revenue related to large industrial and residential development projects; and
- \$1,543,156 for intergovernmental revenue (CARES Act) for response to the health pandemic

Actual expenditures (excluding transfers) were less than budgeted expenditures by \$4,260,212 (6.2%). Approximately \$2.6 million of this savings was the result of a change in city services as the health pandemic began in March 2020 and continued through the end of the fiscal year. The City focused on providing basic services and public safety while other services that would encourage social gatherings were cancelled. Employees were asked to work from home, all events were cancelled, conferences and other travel and training were cancelled, and the City stood still for a few months. This change resulted in a savings in all departments outside of public safety.

The remaining savings of \$1.5 million (4.5%) came from public safety. This amount includes services which were reduced during the health pandemic such as crossing guards and animal services. While other savings were the result of vacancies in the police department as recruiting slowed.

During this same time, the City was preparing its budget for the next fiscal year and was concerned about future financial sustainability during this crisis. In response to this concern, the City offered an early retirement option and performed a reduction in force in April 2020. First responders were excluded from this action.



Transfers out exceeded the budget by \$6,854,006. The budget authorized a transfer of \$850,000 to the CIP Fund, however as the fiscal year ended and funds were available to restore reserves, the City transferred the additional amount. These funds were considered one-time savings recognized in the last quarter of the fiscal year as the City began to focus all its resources on its response to the health pandemic. Normal services such as events, parks maintenance, road maintenance, etc were cancelled or delayed as critical services were provided. This extraordinary period realized significant savings from the diversion of normal services.



CAPITAL ASSETS

The City’s net investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$528,941,681. This investment in capital assets includes land, buildings, infrastructure, equipment, intangibles (water shares and capacity rights), and construction in progress less bonds payable. Infrastructure is defined as roads, utility systems, parks, and so forth. The total increase from the previous year of the City’s net investment in capital assets was \$30,017,612 (6.0%).

	Governmental activities		Business-type activities		Total	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Land	\$ 168,617,997	\$ 159,829,015	\$ 7,258,162	\$ 6,963,324	175,876,159	166,792,339
Construction in progress	8,852,081	9,816,977	12,656,136	15,319,584	21,508,217	25,136,561
Buildings	56,640,798	56,577,746	321,357	321,357	56,962,155	56,899,103
Infrastructure	295,750,814	281,470,173	262,702,484	246,880,890	558,453,298	528,351,063
Equipment	25,100,591	23,383,641	2,250,926	2,170,426	27,351,517	25,554,067
Intangibles	-	-	28,341,444	26,317,965	28,341,444	26,317,965
Total	\$ 554,962,281	\$ 531,077,552	\$ 313,530,509	\$ 297,973,546	\$ 868,492,790	\$ 829,051,098

During the year, the City spent \$25,514,210 on assets (excluding donated assets).

Major capital asset events during the fiscal year 2020 include:

- The purchase of 30 acres for future redevelopment (\$7,000,200).
- The completion of \$2,760,994 of park improvements throughout the City.
- The completion of \$4,146,738 in road improvements throughout the City.
- The purchase of \$2,946,215 in vehicles and equipment in the Fleet Fund.
- The completion of \$7,352,441 in water system improvements, including a 4-million-gallon water storage reservoir and partial completion of another 3-million-gallon water storage reservoir.
- The acceptance of \$13,927,482 in developer-contributed assets including \$8,053,362 in donated roads, land under roads, and sidewalks, \$1,885,520 in donated water lines, \$2,175,600 in donated sewer lines, and \$1,813,000 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, 2020, the City had \$60,451,151 in outstanding long-term debt.

	Governmental activities		Business-type activities		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
General obligation bonds	\$ 3,485,000	\$ 4,140,000	\$ -	\$ -	\$ 3,485,000	\$ 4,140,000
Revenue bonds	28,340,000	30,065,000	13,555,000	15,855,000	41,895,000	45,920,000
Special assessment bonds	1,001,000	1,816,000	-	-	1,001,000	1,816,000
Unamortized bond premiums	1,508,026	1,746,051	-	-	1,508,026	1,746,051
Unamortized discounts/loss	(90,822)	(97,208)	-	-	(90,822)	(97,208)
Capital leases	3,546,680	3,850,018	-	-	3,546,680	3,850,018
Notes payable	2,250,000	-	-	-	2,250,000	-
Compensated absences	6,563,329	7,111,000	292,938	296,023	6,856,267	7,407,023
	<u>\$ 46,603,213</u>	<u>\$ 48,630,861</u>	<u>\$ 13,847,938</u>	<u>\$ 16,151,023</u>	<u>\$ 60,451,151</u>	<u>\$ 64,781,884</u>

The City’s total debt (including compensated absences and other long-term liabilities) decreased by \$4,330,733 in FY 2020. The net change is a result of normally scheduled debt service payments in the amount of \$5,495,000, the issuance of a note in the amount of \$2,250,000, capital and contract payments in the amount of \$1,215,649, the issuance of a capital lease in the amount of \$912,311, decreases in compensated absences, and amortization of discounts, premiums and refunding cost in the amount of \$782,395.

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 \$475,999,279, 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 \$951,998,557, 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 June 2020 was 6.4% as compared to 2.9% of the previous year. The national unemployment rate was 11.4% as of June 2020 as compared to 3.7% of the previous year.

According to the U.S. Bureau of Labor Statistics, in September 2020 the consumer price index (CPI) in the western region was up 1.8% from a year ago, while the CPI for the nation rose 1.4% for that same period.

Statewide sales tax revenue increased by 6.87% in FY 2020 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 2020 for use in understanding the narrative below.

	GENERAL FUND		
	FY 2020 Actual	FY 2021 Budget	Difference
<u>Revenue</u>			
Sales tax	\$ 24,666,933	\$ 18,950,000	-23.18%
Property tax	17,447,176	17,372,559	-0.43%
Franchise tax	7,382,471	7,183,000	-2.70%
Licenses and permits	4,158,614	2,579,600	-37.97%
Intergovernmental	2,953,981	4,178,246	41.44%
Charges for services	3,582,552	3,580,800	-0.05%
Fines and forfeitures	1,157,408	1,140,000	-1.50%
Miscellaneous	821,077	237,000	-71.14%
Investment income	290,891	-	-100.00%
Total revenues	<u>62,461,103</u>	<u>55,221,205</u>	-11.59%
<u>Expenditures</u>			
General government	10,778,386	13,839,476	28.40%
Community development	2,613,737	2,754,836	5.40%
Public safety	32,495,100	31,996,872	-1.53%
Highways and public improvements	4,628,526	6,319,006	36.52%
Parks, recreation, and culture	3,624,239	3,659,770	0.98%
Debt service:			
Principal	1,413,900	1,447,300	
Interest and fiscal charges	196,196	159,505	
Total expenditures	<u>55,750,084</u>	<u>60,176,765</u>	7.97%
Excess (deficiency) of revenues over (under) expenditures	6,711,019	(4,955,560)	
<u>Other Financing Sources (Uses)</u>			
Issuance of debt	-	-	
Sale of capital assets	25,617	-	
Transfers in	5,110	2,469,625	
Transfers out	(7,792,106)	-	
Total other financing sources (uses)	<u>(7,761,379)</u>	<u>2,469,625</u>	
Net change of fund balance	(1,050,360)	(2,485,935)	

General Fund budgeted expenditures exceeds budgeted revenues as adopted in FY 2021 by (\$2,485,935).

Sales Tax Revenue Estimates

Sales tax revenue was based on an estimated loss of 15% of FY 2020 estimated sales tax revenue due to the health pandemic. This revenue shortfall was based on information available at the time from the Utah State Governor’s Office of Economic Development, the Utah League of Cities and Towns, and several other municipal consortiums. However, actual sales tax revenue for West Jordan City has withstood the effects of the pandemic due to consumer behavior changes that have brought spending to the point of delivery versus the point of sale, and the number of grocery, restaurant, and general merchandise retailers that are located within the City. It is currently anticipated the sales tax revenue budget will be adjusted in an amendment in January 2021 and the City will have revenues exceed expenditures. This assumed amendment is not included above.

NEXT YEAR'S BUDGETS AND RATES (continued)

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

Federal Grants (CARES Act)

The FY 2021 budget assumes federal grants (intergovernmental revenue) of \$3,400,000 and increased general government expense of the same amount for assistance in the health pandemic. The actual award amount for FY 2021 has increased from \$3.4 million to \$5.2 million (\$6.8 million less \$1.6 million spent in FY 2020). A budget amendment recognizing this increase in revenue will be proposed in January 2021. The assumed amendment is not included above.

Transfers In

The FY 2021 budget includes a transfer in amount of \$2,469,625 from the utility funds which represents 5% of budgeted utility revenue. This transfer is similar to taxes (franchise tax) paid to the City by other utilities not owned by the City for the use of right-of-ways and other infrastructure owned by the General Fund to provide utility services.

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.

Following a detailed review of the study, the City Council decided to adopt the following rate adjustments in the FY 2021 budget:

- Water Fund – rates adjusted effective October 1, 2020 to provide more parity between residential and commercial customers, intended to be revenue neutral
- Sewer Fund - 15% rate increase effective July 1, 2020
- Solid Waste Fund - 7.5% rate increase effective July 1, 2020
- Storm Water Fund - 5% rate increase effective October 1, 2020
- Streetlight Fund – no change

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS



For Fiscal Year Ended June 30, 2020



*Mayor, City Council, and Municipal Judge after the swearing in ceremony – January 6, 2020
Change in the Form of Government*

Government-Wide Financial Statements

STATEMENT OF NET POSITION

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 34,527,314	\$ 17,190,031	\$ 51,717,345
Accounts receivable (net of allowance)	2,396,851	6,531,063	8,927,914
Due from other governments	26,957,784	-	26,957,784
Internal balances	316,562	(316,562)	-
Inventory	-	1,839,093	1,839,093
Prepaid items	-	152,000	152,000
Pension asset	3,295,751	247,668	3,543,419
Subtotal current assets	<u>67,494,262</u>	<u>25,643,293</u>	<u>93,137,555</u>
Noncurrent assets			
Restricted cash	33,489,533	7,852,825	41,342,358
Notes receivable	670,111	-	670,111
Investments in joint ventures	-	6,236,404	6,236,404
Capital assets			
Land	168,617,997	7,258,162	175,876,159
Construction in progress	8,852,081	12,656,136	21,508,217
Buildings	56,640,798	321,357	56,962,155
Infrastructure	295,750,814	262,702,484	558,453,298
Equipment	25,100,591	2,250,926	27,351,517
Intangibles	-	28,341,444	28,341,444
Accumulated depreciation and amortization	(205,521,642)	(88,920,987)	(294,442,629)
Subtotal noncurrent assets	<u>383,600,283</u>	<u>238,698,751</u>	<u>622,299,034</u>
Total assets	<u>451,094,545</u>	<u>264,342,044</u>	<u>715,436,589</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on bond refunding	115,719	-	115,719
Deferred pension costs	8,255,478	620,380	8,875,858
Total deferred outflows of resources	<u>8,371,197</u>	<u>620,380</u>	<u>8,991,577</u>
LIABILITIES			
Current liabilities			
Accounts payable	1,936,608	3,276,992	5,213,600
Accrued liabilities	2,725,150	125,570	2,850,720
Unearned revenue	-	110,675	110,675
Customer deposits	10,717,782	36,725	10,754,507
Compensated absences	2,853,464	141,926	2,995,390
Interest payable	387,736	43,502	431,238
Notes payable	2,250,000	-	2,250,000
Bonds and leases payable	4,405,817	2,350,000	6,755,817
Subtotal current liabilities	<u>25,276,557</u>	<u>6,085,390</u>	<u>31,361,947</u>
Noncurrent liabilities			
Compensated absences	3,709,865	151,012	3,860,877
Net pension payable	8,741,677	656,916	9,398,593
Bonds and leases payable	33,384,067	11,205,000	44,589,067
Subtotal noncurrent liabilities	<u>45,835,609</u>	<u>12,012,928</u>	<u>57,848,537</u>
Total liabilities	<u>71,112,166</u>	<u>18,098,318</u>	<u>89,210,484</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension gains	6,862,385	515,693	7,378,078
Deferred property taxes	20,702,690	-	20,702,690
Total deferred Inflows of resources	<u>27,565,075</u>	<u>515,693</u>	<u>28,080,768</u>
NET POSITION			
Net investment in capital assets	311,650,755	217,290,926	528,941,681
Restricted	-	-	-
Capital	21,735,450	7,677,817	29,413,267
Debt service	9,722	175,008	184,730
Other purposes	780,652	-	780,652
Unrestricted	26,611,922	21,204,662	47,816,584
Total net position	<u>\$ 360,788,501</u>	<u>\$ 246,348,413</u>	<u>\$ 607,136,914</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	\$ 10,332,371	\$ 3,021,957	\$ 1,667,965	\$ -	\$ (5,642,449)	\$ -	\$ (5,642,449)
Community development	12,545,630	5,334,019	554,436	-	(6,657,175)	-	(6,657,175)
Public safety	33,837,711	2,442,839	2,986,037	-	(28,408,835)	-	(28,408,835)
Highways and public improvements	10,849,796	2,915,394	3,986,380	11,833,145	7,885,123	-	7,885,123
Parks, recreation, and culture	5,684,835	2,520,179	-	-	(3,164,656)	-	(3,164,656)
Debt service - interest and fiscal charges	1,269,110	-	-	-	(1,269,110)	-	(1,269,110)
Total governmental activities	74,519,453	16,234,388	9,194,818	11,833,145	(37,257,102)	-	(37,257,102)
Business-type activities							
Water	22,152,872	30,013,903	-	1,885,520	-	9,746,551	9,746,551
Wastewater	11,323,226	12,828,156	-	2,175,600	-	3,680,530	3,680,530
Solid waste	4,867,535	5,414,094	-	-	-	546,559	546,559
Storm water	3,949,958	7,514,878	-	1,813,000	-	5,377,920	5,377,920
Streetlight	429,043	753,024	-	-	-	323,981	323,981
Total business-type activities	\$ 42,722,634	\$ 56,524,055	\$ -	\$ 5,874,120	\$ -	\$ 19,675,541	\$ 19,675,541
General Revenues:							
Sales taxes					24,666,933	-	24,666,933
Property taxes					17,458,532	-	17,458,532
Tax increment					4,262,252	-	4,262,252
Franchise taxes					7,382,471	-	7,382,471
Investment income					1,012,280	421,093	1,433,373
Gain on disposal of assets					25,617	13,800	39,417
Miscellaneous					1,371,572	-	1,371,572
Transfers - net					-	-	-
Total general revenue and transfers					56,179,657	434,893	56,614,550
Change in net position					18,922,555	20,110,434	39,032,989
Net position - beginning					341,865,946	226,237,979	568,103,925
Net position - ending					\$ 360,788,501	246,348,413	\$ 607,136,914

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, road impact fees, park impact fees, transfers from the general fund, and interest earnings are the principal sources of funding for these projects.

Redevelopment Agency (RDA) Fund

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	\$ 1,867,504	\$ 13,763,025	\$ 8,284,044	\$ 3,712,726	\$ 27,627,299
Accounts receivable (net of allowance)	2,367,148	-	-	676,814	3,043,962
Due from other governments	21,590,072	4,600,000	-	767,712	26,957,784
Due from other funds	4,490,500	-	-	18,801	4,509,301
Restricted cash	11,658,319	-	21,091,477	113,333	32,863,129
Total assets	41,973,543	18,363,025	29,375,521	5,289,386	95,001,475
LIABILITIES					
Accounts payable	923,985	333,515	77,892	129,002	1,464,394
Accrued liabilities	2,343,498	351,757	-	4,667	2,699,922
Due to other funds	-	4,490,500	-	18,801	4,509,301
Deposits	10,717,782	-	-	-	10,717,782
Total liabilities	13,985,265	5,175,772	77,892	152,470	19,391,399
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	16,092,559	4,600,000	-	10,131	20,702,690
Deferred ambulance billings	206,350	-	-	-	206,350
Deferred other	77,809	-	-	-	77,809
Total deferred Inflows of resources	16,376,718	4,600,000	-	10,131	20,986,849
FUND BALANCE					
Restricted	6,045	-	21,091,477	801,897	21,899,419
Assigned	-	8,587,253	8,206,152	4,324,888	21,118,293
Unassigned	11,605,515	-	-	-	11,605,515
Total fund balances	11,611,560	8,587,253	29,297,629	5,126,785	54,623,227
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 41,973,543	\$ 18,363,025	\$ 29,375,521	\$ 5,289,386	\$ 95,001,475

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	\$ 54,623,227
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	343,210,824
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.	(43,322,338)
Deferred outflows relating to the loss on refunding of debt is not a current available resource and therefore is not included in the funds.	115,719
Pension liabilities, pension assets, and deferred inflows and outflows of resources relating to pensions are not current available resources and are therefore not included in the governmental funds.	(3,983,752)
Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resources measurement focus.	600,721
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.	9,544,100
Net Position - Governmental Activities	\$ 360,788,501

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	\$ 24,666,933	\$ -	\$ -	\$ -	\$ 24,666,933
Property tax	17,447,176	-	-	11,356	17,458,532
Tax increment	-	4,262,252	-	-	4,262,252
Franchise tax	7,382,471	-	-	-	7,382,471
Impact fees	-	-	5,047,729	508,180	5,555,909
Licenses and permits	4,158,614	-	-	-	4,158,614
Intergovernmental	2,953,981	-	3,779,783	4,540,816	11,274,580
Charges for services	3,582,552	-	-	1,937,259	5,519,811
Fines and forfeitures	1,157,408	-	-	-	1,157,408
Miscellaneous	821,077	-	83,518	466,981	1,371,576
Investment income	290,891	252,542	406,996	61,851	1,012,280
Total revenues	<u>62,461,103</u>	<u>4,514,794</u>	<u>9,318,026</u>	<u>7,526,443</u>	<u>83,820,366</u>
EXPENDITURES					
General government	10,778,386	-	-	-	10,778,386
Community development	2,613,737	9,178,545	-	418,276	12,210,558
Public safety	32,495,100	-	275,519	-	32,770,619
Highways and public improvements	4,628,526	-	7,028,715	3,873,815	15,531,056
Parks, recreation, and culture	3,624,239	-	2,980,373	-	6,604,612
Debt service:					
Principal	1,300,000	3,065,000	-	1,235,000	5,600,000
Interest and fiscal charges	183,431	139,990	-	1,147,565	1,470,986
Total expenditures	<u>55,623,419</u>	<u>12,383,535</u>	<u>10,284,607</u>	<u>6,674,656</u>	<u>84,966,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,837,684</u>	<u>(7,868,741)</u>	<u>(966,581)</u>	<u>851,787</u>	<u>(1,145,851)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	4,500,000	-	-	4,500,000
Sale of capital assets	25,617	-	-	-	25,617
Transfers in	5,110	50,000	7,704,006	38,100	7,797,216
Transfers out	(7,792,106)	-	(5,110)	-	(7,797,216)
Total other financing sources (uses)	<u>(7,761,379)</u>	<u>4,550,000</u>	<u>7,698,896</u>	<u>38,100</u>	<u>4,525,617</u>
Net change of fund balance	(923,695)	(3,318,741)	6,732,315	889,887	3,379,766
Fund balance at beginning of year	12,535,255	11,905,994	22,565,314	4,236,898	51,243,461
Fund balance at end of year	<u>\$ 11,611,560</u>	<u>\$ 8,587,253</u>	<u>\$ 29,297,629</u>	<u>\$ 5,126,785</u>	<u>\$ 54,623,227</u>

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)
Change in net position - Governmental activities	<u>\$ 11,135,830</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 Management Fund, and Risk Management Fund are classified as internal service funds for the City. These funds 'act' like a business and are therefore reported alongside the proprietary funds; however, their main source of revenue is charges for services provided to and paid for by the other governmental and proprietary funds of the City.

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS**

	Business-type Activities				Total	Governmental
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds		Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ 1,891,461	\$ 7,507,107	\$ 5,979,951	\$ 1,811,512	\$ 17,190,031	\$ 6,900,015
Accounts receivable (net of allowance)	4,288,346	1,163,641	410,725	668,351	6,531,063	23,000
Inventory	1,839,093	-	-	-	1,839,093	-
Prepaid items	152,000	-	-	-	152,000	-
Net pension asset	104,115	70,700	61,427	11,426	247,668	56,176
Total current assets	8,275,015	8,741,448	6,452,103	2,491,289	25,959,855	6,979,191
Noncurrent assets						
Restricted cash	4,689,314	-	3,163,511	-	7,852,825	626,404
Investments in joint ventures	-	-	-	6,236,404	6,236,404	-
Capital assets						
Land	4,726,043	-	2,532,119	-	7,258,162	-
Construction in progress	7,332,315	297,011	5,026,810	-	12,656,136	601,266
Buildings	321,357	-	-	-	321,357	-
Infrastructure	139,524,000	63,790,628	59,387,856	-	262,702,484	-
Equipment	502,516	138,000	-	1,610,410	2,250,926	22,591,380
Intangibles	283,730	28,057,714	-	-	28,341,444	-
Accumulated depreciation and amortization	(44,956,191)	(22,927,349)	(19,427,037)	(1,610,410)	(88,920,987)	(16,962,831)
Total noncurrent assets	112,423,084	69,356,004	50,683,259	6,236,404	238,698,751	6,856,219
Total assets	120,698,099	78,097,452	57,135,362	8,727,693	264,658,606	13,835,410
DEFERRED OUTFLOWS OF RESOURCES						
Deferred pension costs	260,797	177,095	153,867	28,621	620,380	140,713
Total deferred outflows of resources	260,797	177,095	153,867	28,621	620,380	140,713
LIABILITIES						
Current liabilities						
Accounts payable	2,550,238	215,979	55,065	455,710	3,276,992	472,214
Accrued liabilities	158,648	38,288	33,947	5,362	236,245	25,228
Interest payable	17,100	-	26,402	-	43,502	45,028
Compensated absences	62,853	38,078	40,995	-	141,926	37,964
Bonds and leases payable	1,705,000	-	645,000	-	2,350,000	1,050,817
Customer deposits	36,575	-	-	150	36,725	-
Total current liabilities	4,530,414	292,345	801,409	461,222	6,085,390	1,631,251
Noncurrent liabilities						
Compensated absences	77,504	43,761	27,723	2,024	151,012	38,938
Net pension payable	276,156	187,525	162,928	30,307	656,916	149,001
Bonds and leases payable	7,780,000	-	3,425,000	-	11,205,000	2,495,864
Total noncurrent liabilities	8,133,660	231,286	3,615,651	32,331	12,012,928	2,683,803
Total liabilities	12,664,074	523,631	4,417,060	493,553	18,098,318	4,315,054
DEFERRED INFLOWS OF RESOURCES						
Deferred pension gains	216,788	147,211	127,902	23,792	515,693	116,969
Total deferred inflows of resources	216,788	147,211	127,902	23,792	515,693	116,969
NET POSITION						
Net investment in capital assets	98,248,770	69,356,004	43,449,748	6,236,404	217,290,926	3,309,538
Restricted						
Capital	-	-	3,061,205	-	3,061,205	-
Debt service	4,689,314	-	102,306	-	4,791,620	626,404
Unrestricted	5,139,950	8,247,701	6,131,008	2,002,565	21,521,224	5,608,158
Total net position	\$ 108,078,034	\$ 77,603,705	\$ 52,744,267	\$ 8,238,969	\$ 246,664,975	\$ 9,544,100

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	\$ 246,664,975
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	(316,562)
Net Position - Business-type Activities	<u>\$ 246,348,413</u>

The accompanying notes are an integral part of this statement.



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

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total Enterprise	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 28,124,651	\$ 11,509,985	\$ 3,994,901	\$ 6,154,867	\$ 49,784,404	\$ 6,323,293
Other	6,133	-	-	12,251	18,384	39,683
Total operating revenues	28,130,784	11,509,985	3,994,901	6,167,118	49,802,788	6,362,976
OPERATING EXPENSES						
Wages and benefits	1,300,158	1,038,396	1,091,340	110,565	3,540,459	828,099
Administrative fees	2,773,862	1,364,311	555,537	544,957	5,238,667	-
Operations and maintenance	14,955,072	7,662,719	1,033,510	5,135,668	28,786,969	3,197,246
Depreciation and amortization	2,880,493	1,267,383	1,188,722	-	5,336,598	2,471,311
Total operating expenses	21,909,585	11,332,809	3,869,109	5,791,190	42,902,693	6,496,656
Operating income (loss)	6,221,199	177,176	125,792	375,928	6,900,095	(133,680)
NONOPERATING REVENUES (EXPENSES)						
Investment income	139,845	126,625	128,228	26,395	421,093	136,726
Interest and fiscal charges	(249,391)	-	(87,938)	-	(337,329)	(89,806)
Impact fees	1,883,119	1,318,171	3,519,977	-	6,721,267	-
Equity in income of joint venture	-	-	-	492,827	492,827	-
Gain/(loss) on disposal of assets	-	-	13,800	-	13,800	218,718
Total nonoperating revenues (expenses)	1,773,573	1,444,796	3,574,067	519,222	7,311,658	265,638
Income (loss) before contributions and transfers	7,994,772	1,621,972	3,699,859	895,150	14,211,753	131,958
Capital contributions	1,885,520	2,175,600	1,813,000	-	5,874,120	-
Change in net position	9,880,292	3,797,572	5,512,859	895,150	20,085,873	131,958
Total net position, beginning	98,197,742	73,806,133	47,231,408	7,343,819	226,579,102	9,412,142
Total net position, ending	\$ 108,078,034	\$ 77,603,705	\$ 52,744,267	\$ 8,238,969	\$ 246,664,975	\$ 9,544,100

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	\$ 20,085,873
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities.	24,561
	<hr/>
Change in net position - Business-type activities	<u>\$ 20,110,434</u>

The accompanying notes are an integral part of this statement.



**STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 26,792,560	\$ 11,290,417	\$ 4,046,974	\$ 6,254,638	\$ 48,384,589	\$ 6,340,083
Payments to suppliers of goods and services	(16,097,582)	(7,664,189)	(1,482,424)	(5,140,035)	(30,384,230)	(2,872,051)
Payments to employees for services	(1,336,609)	(1,064,329)	(1,097,101)	(117,243)	(3,615,282)	(819,528)
Payment for interfund services	(2,773,862)	(1,364,311)	(555,537)	(544,957)	(5,238,667)	-
Net cash provided (used) by operating activities	6,584,507	1,197,588	911,912	452,403	9,146,410	2,648,504
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	-	-	13,800	-	13,800	218,718
Purchases of capital assets	(7,352,442)	(2,209,756)	(120,645)	-	(9,682,843)	(2,952,352)
Impact fees	1,883,119	1,318,171	3,519,977	-	6,721,267	-
Proceeds from issuance of debt	-	-	-	-	-	912,311
Principal paid on debt	(1,665,000)	-	(635,000)	-	(2,300,000)	(1,215,648)
Interest and fiscal charges paid on capital debt	(252,380)	-	(92,057)	-	(344,437)	(90,935)
Net cash provided (used) by capital and related financing activities	(7,386,703)	(891,585)	2,686,075	-	(5,592,213)	(3,127,906)
Cash flows from investing activities						
Investment income	139,845	126,625	128,228	26,395	421,093	136,726
Net cash provided by investing activities	139,845	126,625	128,228	26,395	421,093	136,726
Net increase (decrease) in cash and cash equivalents	(856,353)	626,630	3,726,215	478,798	3,975,290	(342,676)
Cash and cash equivalents - beginning of year	7,437,128	6,880,477	5,417,247	1,332,714	21,067,566	7,869,095
Cash and cash equivalents - end of year	\$ 6,580,775	\$ 7,507,107	\$ 9,143,462	\$ 1,811,512	\$ 25,042,856	\$ 7,526,419
Reconciliation of operating income to net cash provided (used) by operating activities						
Operating income (loss)	\$ 6,221,199	\$ 177,176	\$ 125,792	\$ 375,928	\$ 6,900,095	\$ (133,680)
Adjustments to reconcile operating income to net cash provided by:						
Depreciation and amortization	\$ 2,880,493	\$ 1,267,383	\$ 1,188,722	\$ -	\$ 5,336,598	\$ 2,471,311
(Increase) decrease in receivables	(1,338,224)	(219,568)	52,073	87,520	(1,418,199)	(22,893)
(Increase) decrease in prepaids	(152,000)	-	-	-	(152,000)	-
(Increase) decrease in inventory	(265,643)	-	-	-	(265,643)	39,265
(Increase) decrease in payables	(747,352)	(17,729)	(458,833)	(6,639)	(1,230,553)	277,224
(Increase) decrease in liabilities	(13,966)	(9,674)	4,158	(4,406)	(23,888)	17,277
Net cash provided by operating activities	\$ 6,584,507	\$ 1,197,588	\$ 911,912	\$ 452,403	\$ 9,146,410	\$ 2,648,504
Noncash investing, capital and financing activities						
Capital contributions, developers	\$ 1,885,520	\$ 2,175,600	\$ 1,813,000	\$ -	\$ 5,874,120	\$ -

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements



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

Form of Government

In November 2017, the citizens of West Jordan voted for this change the form of government from Council-Manager to Council-Mayor. This transition became effective on January 6, 2020.

The Council-Mayor form of municipal government was created by the Laws of Utah 1977, Chapter 48. This form of government has two (2) separate, independent, and equal branches of municipal government consisting of a legislative branch – a council composed of five or seven members, and an executive branch – a mayor and, under the mayor’s supervision, any executive or administrative departments, divisions, and offices and any executive or administrative officers provided for by statute or municipal ordinance.

Under the Council-Mayor form of government, the mayor is the chief executive and administrative officer. He or she exercises the executive and administrative powers of the municipality. The mayor has the responsibility to execute the policies adopted by the council. The mayor appoints, with the council’s advice and consent, qualified persons to the city or town’s officers and positions including such things as recorder and treasurer.

The mayor may veto an ordinance, tax levy, or appropriation passed by the council subject to the council’s power to override the veto.

While not a member of the council, or its chair, the mayor may attend each council meeting, take part in council meeting discussions, and freely give advice to the council.

The council in a municipality operating under a council-mayor form of government is the legislative body of the city or town and by ordinance or resolution determines the broad policy for the city or town and some specific policies such as the manner in which municipal property is bought, sold, traded, encumbered, or otherwise transferred; and a subdivision or annexation is approved, disapproved, or otherwise regulated.

The council enacts laws, appropriates funds and reviews municipal administration. The council elects one of its members to be the chair of the council.

The council may make suggestions or recommendations to the mayor or mayor’s subordinates and investigate any officer, department, or agency of the city or town, but it may not direct or request, other than in writing, the appointment of a person to or the removal of a person from an executive municipal office; interfere in any way with an executive officer’s performance of the officer’s duties; or publicly or privately give orders to a subordinate of the mayor.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Financial Accountability and Reporting

The 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.

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

Blended Component Units

The Redevelopment Agency of West Jordan City (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. Separate financial statements are not issued for the MBA.

The Fairway Estates Special Service Recreation District (District) was established as a separate taxing entity with the purpose of maintaining the streetscapes of the District. The District is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the District is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the District. Separate financial statements are not issued for the District.

Investment in Joint Venture

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Additionally, the City reports the following governmental fund types:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Cash, Cash Equivalents, and Investments

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

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

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Unbilled sales receivables for June 30, 2020 were estimated based on an average of June and July revenues less year end accounts receivable.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories and Prepaid Items

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

Restricted Cash

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

Capital Assets

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

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

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

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

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

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 2020, this amount is \$3,123,055.

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.

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



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

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

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

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

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

Cost of capital assets	\$ 531,769,635
Accumulated depreciation	(188,558,811)
Investment in joint venture	-
Total difference	<u>\$ 343,210,824</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	\$ (32,826,000)
Compensated absences	(6,486,427)
Bond premium, discount, or refunding cost (to be amortized to interest income)	(1,417,203)
Capital lease payable	-
Loans payable	(2,250,000)
Accrued interest payable	(342,708)
Total difference	<u>\$ (43,322,338)</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	\$ 115,719
Total difference	<u>\$ 115,719</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	\$ 3,239,575
Deferred pension gains	8,114,765
Net pension liability	(8,592,676)
Deferred pension costs	(6,745,416)
Total difference	<u>\$ (3,983,752)</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	\$ 206,350
Deferred licensing renewal billings	77,809
Internal service fund services to the enterprise funds	316,562
Total difference	<u>\$ 600,721</u>

Internal service funds. Internal service funds are used by management to charge the costs of fleet management, IT 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	\$ 3,985,000
Ending net position, IT Management Fund	1,406,624
Ending net position, Risk Management Fund	842,938
Net investment in capital assets, Fleet Management Fund	3,236,400
Net investment in capital assets, IT Replacement Fund	73,138
Total difference	<u>\$ 9,544,100</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	\$ 13,829,141
Depreciation expense	(9,089,100)
Developer contributions	8,053,362
Cost of capital sold	-
Total difference	<u>\$ 12,793,403</u>

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

Change in deferred ambulance billings	\$ (186,736)
Change in deferred licensing renewal billings	29,382
Internal service fund services to the enterprise funds	(24,561)
Total difference	<u>\$ (181,915)</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.

Loan proceeds	\$ (4,500,000)
Principal payments:	
Sales tax revenue bonds	980,000
General obligation bond	655,000
Special assessment revenue bond	815,000
Lease revenue bond	745,000
Federal contract (HUD)	155,000
Loan payable	2,250,000
Interest expense	(36,150)
Bond premium amortization	238,026
Total difference	<u>\$ 1,301,876</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	\$ 559,028
Net pension asset	3,239,575
Net pension liability	8,845,902
Deferred pension gains	(5,843,124)
Deferred pension costs	(5,303,914)
Total difference	<u>\$ 1,497,467</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	\$ (100,635)
<i>Change in net position</i> from the IT Replacement Fund	69,353
<i>Change in net position</i> from the Risk Management Fund	163,240
Total difference	<u>\$ 131,958</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>\$ (316,562)</u>
Total difference	<u>\$ (316,562)</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	\$ 24,561
Total difference	\$ 24,561

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, 2020. 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, 2020, the City’s bank balance deposit carrying value was \$93,864,204. Of this amount, \$93,114,204 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, 2020 is as follows:

Cash - Bank A	\$ 6,368,373
Cash - Bank B	4,002
Utah Public Treasurer's Investment Fund	82,064,083
Bond Trust Accounts - Bank A	626,404
Bond Trust Accounts - Bank B	4,800,895
Bond Trust Accounts - Bank C	447
Total	<u>\$ 93,864,204</u>

A summary of the City’s cash, cash equivalents, and investments at June 30, 2020 is as follows:

Restricted	\$ 41,342,358
Unrestricted	51,717,345
Total	<u>\$ 93,059,703</u>
Cash	\$ 10,995,620
Cash equivalents and investments	82,064,083
Total	<u>\$ 93,059,703</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, 2020, 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, 2020, the City’s fair value investments in the PTIF were \$200,930 more than the amortized cost of \$82,064,083. However, since the PTIF operates under an amortized cost basis the City has not adjusted to fair market value.

As of June 30, 2020, the City’s \$82,064,083 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	\$ 2,717,681	\$ 21,590,072	\$ 820	\$ 24,308,573	\$ (351,353)	\$ 23,957,220
Redevelopment Agency	-	4,600,000	-	4,600,000	-	4,600,000
Capital Projects	-	-	-	-	-	-
Non-major Governmental	676,857	688,685	79,027	1,444,569	(43)	1,444,526
Water	4,346,346	-	-	4,346,346	(58,000)	4,288,346
Wastewater	1,176,641	-	-	1,176,641	(13,000)	1,163,641
Storm Water	419,725	-	-	419,725	(9,000)	410,725
Non-major Proprietary	705,351	-	-	705,351	(37,000)	668,351
Internal Service Funds	-	-	23,000	23,000	-	23,000
	<u>\$ 10,042,601</u>	<u>\$ 26,878,757</u>	<u>\$ 102,847</u>	<u>\$ 37,024,205</u>	<u>\$ (468,396)</u>	<u>\$ 36,555,809</u>



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	Redevelopment Agency	Capital Projects	Non-Major Governmental	
Transfers Out:					
General	\$ -	\$ 50,000	\$ 7,704,006	\$ 38,100	\$ 7,792,106
Non-major Governmental	5,110	-	-	-	5,110
	<u>\$ 5,110</u>	<u>\$ 50,000</u>	<u>\$ 7,704,006</u>	<u>\$ 38,100</u>	<u>\$ 7,797,216</u>

NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES

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

	Due to:	
	General Fund	Police Impact Fee Fund
Due from:		
Redevelopment	\$ 4,490,500	\$ -
Fire Impact Fee Fund	\$ -	\$ 18,801

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.

The due to/due between the Police and Fire Impact Fee Funds is to cover a negative cash position at year-end. This is expected to be paid in full during the next fiscal year.

(continued on next page)



NOTE 8 – CAPITAL ASSETS

Governmental activities	Beg Balance	Increases	Transfers	Decreases	End Balance
Capital assets, not being depreciated:					
Land	\$ 159,829,015	\$ 8,914,217	\$ -	\$ (125,235)	\$ 168,617,997
Construction in progress	9,816,977	6,085,610	(7,050,506)	-	8,852,081
Total capital assets, not being depreciated	169,645,992	14,999,827	(7,050,506)	(125,235)	177,470,078
Capital assets, being depreciated:					
Buildings	56,577,746	63,052	-	-	56,640,798
Infrastructure	281,470,173	10,098,160	6,372,481	(2,190,000)	295,750,814
Machinery and equipment	23,383,639	2,351,087	678,025	(1,312,160)	25,100,591
Total capital assets being depreciated	361,431,558	12,512,299	7,050,506	(3,502,160)	377,492,203
Less accumulated depreciation for:					
Buildings	(13,148,689)	(1,332,736)	-	-	(14,481,425)
Infrastructure	(163,652,235)	(8,145,587)	-	109,515	(171,688,307)
Machinery and equipment	(18,110,432)	(2,553,638)	-	1,312,160	(19,351,910)
Total accumulated depreciation	(194,911,356)	(12,031,961)	-	1,421,675	(205,521,642)
Total capital assets, being depreciated, net	166,520,202	480,338	7,050,506	(2,080,485)	171,970,561
Governmental activities capital assets, net	\$ 336,166,194	\$ 15,480,165	\$ -	\$ (2,205,720)	\$ 349,440,639
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 6,963,324	\$ 294,838	\$ -	\$ -	\$ 7,258,162
Construction in progress	15,319,584	4,252,329	(6,915,777)	-	12,656,136
Intangibles	26,317,965	2,023,479	-	-	28,341,444
Total capital assets, not being depreciated	48,600,873	6,570,646	(6,915,777)	-	48,255,742
Capital assets, being depreciated:					
Buildings	321,357	-	-	-	321,357
Infrastructure	246,880,890	8,905,817	6,915,777	-	262,702,484
Machinery and equipment	2,170,426	80,500	-	-	2,250,926
Total capital assets being depreciated	249,372,673	8,986,317	6,915,777	-	265,274,767
Less accumulated depreciation for:					
Buildings	(247,834)	(5,693)	-	-	(253,527)
Infrastructure	(81,201,504)	(5,298,757)	-	-	(86,500,261)
Machinery and equipment	(2,135,051)	(32,148)	-	-	(2,167,199)
Total accumulated depreciation and amortization	(83,584,389)	(5,336,598)	-	-	(88,920,987)
Total capital assets, being depreciated, net	165,788,284	3,649,719	6,915,777	-	176,353,780
Business-type activities capital assets, net	\$ 214,389,157	\$ 10,220,365	\$ -	\$ -	\$ 224,609,522

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NOTE 8 – CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 2,677,833
Community development	-
Public safety	417,486
Highways and public improvements	8,830,061
Parks, recreation and culture	106,581
Total depreciation expenditure	<u>\$12,031,961</u>
Business-type activities	
Water	\$ 2,880,493
Wastewater	1,267,383
Solid Waste	-
Storm Water	1,188,722
Total depreciation expense	<u>\$ 5,336,598</u>

NOTE 9 – INTANGIBLE ASSETS

The City reports both water shares and capacity (or use) rights as intangible assets. As of June 30, 2020, 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 May 20, 2004, the Interlocal Agreement was amended for the purpose of converting SVWRF to a separate legal entity (a special district under State law rather than a joint administrative entity) and to clarify ownership status, facilitate transfers of ownership, and clarify capacity rights. The City uses the cost method rather than the equity method for reporting purposes.

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

The following entities have capacity rights as of December 31, 2019.

	<u>Percent</u>	<u>Capacity</u> (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 \$6,103,655 and capital contributions of \$1,582,275 to SVWRF for the fiscal year ended June 30, 2020. The City performs an annual assessment to conclude whether an impairment of the intangible has occurred. Impairment would occur if SVWRF could not provide the capacity the City has a right to receive.

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, 2020, the City has a 21.49 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, 2020, is reported in the government-wide statement of net position.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$ 692,530 for fiscal year 2020.

(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.

	Governmental Activities				
	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Series 2014-A Capital Lease (SunTrust)	\$ 166,948	\$ -	\$ (166,402)	\$ 546	\$ -
Series 2014-B Capital Lease (Zions Bank)	182,030	-	(90,118)	91,912	91,912
Series 2015 Capital Lease (Zions Bank)	548,975	-	(179,434)	369,541	182,968
Series 2017 Capital Lease (Zions Bank)	1,316,759	-	(431,055)	885,704	438,728
Series 2018 Capital Lease (Zions Bank)	1,267,973	-	(170,462)	1,097,511	175,422
Series 2019-A Capital Lease (US Bank)	367,333	-	(56,946)	310,387	58,592
Series 2019-B Capital Lease (US Bank)	-	912,311	(121,231)	791,080	103,195
Total	\$ 3,850,018	\$ 912,311	\$ (1,215,648)	\$ 3,546,681	\$ 1,050,817

The assets acquired through capital leases are as follows:

A. 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
2021	\$ 546	\$ -	\$ 546
	\$ 546	\$ -	\$ 546

B. 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:

Year ending June 30	Principal	Interest	Total
2021	\$ 91,912	\$ 1,829	\$ 93,741
	\$ 91,912	\$ 1,829	\$ 93,741



NOTE 12 – CAPITAL LEASES (continued)

C. 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>
2021	\$ 182,968	\$ 7,280	\$ 190,248
2022	186,573	3,675	190,248
	<u>\$ 369,541</u>	<u>\$ 10,955</u>	<u>\$ 380,496</u>

D. 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>
2021	\$ 438,728	\$ 16,563	\$ 455,291
2022	446,976	8,358	455,334
	<u>\$ 885,704</u>	<u>\$ 24,921</u>	<u>\$ 910,625</u>

(continued on the next page)



NOTE 12 – CAPITAL LEASES (continued)

E. 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>
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
2026-2027	246,533	10,812	257,345
	<u>\$ 1,097,511</u>	<u>\$ 117,945</u>	<u>\$ 1,215,456</u>

F. Series 2019-A 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>
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>\$ 310,387</u>	<u>\$ 27,418</u>	<u>\$ 337,805</u>

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NOTE 12 – CAPITAL LEASES (continued)

G. Series 2019-B 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:

Year ending June 30	Principal	Interest	Total
2021	\$ 103,195	\$ 18,037	\$ 121,232
2022	105,548	15,684	121,232
2023	107,954	13,277	121,231
2024	110,415	10,816	121,231
2025	69,549	8,298	77,847
2026-2029	294,419	16,971	311,390
	<u>\$ 791,080</u>	<u>\$ 83,083</u>	<u>\$ 874,163</u>

NOTE 13 – LONG TERM DEBT

The City has outstanding debt related to governmental activities totaling \$23,495,000 in lease revenue bonds, and \$9,331,000 from direct borrowings and/or placements. Business-type activities have outstanding debt from direct borrowings and/or placements totaling \$13,555,000.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Lease revenue bonds:					
Series 2016	\$ 24,240,000	\$ -	\$ (745,000)	\$ 23,495,000	\$ 775,000
Notes from direct borrowings and direct placements:					
Series 2008	1,816,000	-	(815,000)	1,001,000	905,000
Series 2013	1,765,000	-	(335,000)	1,430,000	345,000
Series 2014	4,140,000	-	(655,000)	3,485,000	670,000
Series 2015	4,060,000	-	(645,000)	3,415,000	660,000
	<u>\$ 36,021,000</u>	<u>\$ -</u>	<u>\$ (3,195,000)</u>	<u>\$ 32,826,000</u>	<u>\$ 3,355,000</u>
Business-type activities					
Notes from direct borrowings and direct placements:					
Series 2013	\$ 2,990,000	\$ -	\$ (725,000)	\$ 2,265,000	\$ 740,000
Series 2016	4,705,000	-	(635,000)	4,070,000	645,000
Series 2017	8,160,000	-	(940,000)	7,220,000	965,000
	<u>\$ 15,855,000</u>	<u>\$ -</u>	<u>\$ (2,300,000)</u>	<u>\$ 13,555,000</u>	<u>\$ 2,350,000</u>



NOTE 13 – LONG TERM DEBT (continued)

Debt service requirements on long-term debt at June 30, 2020 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
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	930,000	917,600	1,435,000	30,647	1,755,000	99,888
2026-2030	5,435,000	3,819,875	-	-	2,885,000	87,390
2031-2035	6,980,000	2,275,500	-	-	-	-
2036-2039	6,840,000	560,800	-	-	-	-
	\$ 23,495,000	\$11,661,475	\$ 9,331,000	\$ 573,017	\$13,555,000	\$1,043,664

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 \$23,495,000 contain a provision that in an event of default, the building becomes the asset of the Trustee and may be sub-leased and/or sold for the repayment of the outstanding amounts.

The City's outstanding bonds from direct borrowings and direct placements related to governmental activities of \$9,331,000 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 \$13,555,000 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 \$13,555,000 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.



NOTE 13 – LONG TERM DEBT (continued)

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
 Fund: Redevelopment Agency Fund

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 905,000	\$ 44,544	\$ 949,544
2022	96,000	4,272	100,272
	<u>\$ 1,001,000</u>	<u>\$ 48,816</u>	<u>\$ 1,049,816</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
 Fund: Fire Impact Fee Fund (60%)
 Police Impact Fee Fund (40%)

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 1,430,000</u>	<u>\$ 66,412</u>	<u>\$ 1,496,412</u>

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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
 Fund: General Fund

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
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>\$ 3,485,000</u>	<u>\$ 296,948</u>	<u>\$ 3,781,948</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
 Fund: General Fund

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
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>\$ 3,415,000</u>	<u>\$ 160,845</u>	<u>\$ 3,575,845</u>

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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
 Fund: Municipal Building Authority

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	930,000	917,600	1,847,600
2026-2030	5,435,000	3,819,875	9,254,875
2031-2035	6,980,000	2,275,500	9,255,500
2036-2039	6,840,000	560,800	7,400,800
	<u>\$23,495,000</u>	<u>\$11,661,475</u>	<u>\$35,156,475</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
 Fund: Water Fund (Impact fees)

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 740,000	\$ 49,830	\$ 789,830
2022	755,000	33,550	788,550
2023	770,000	16,940	786,940
	<u>\$ 2,265,000</u>	<u>\$ 100,320</u>	<u>\$ 2,365,320</u>

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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
 Fund: Storm Water Fund (Utility)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
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	700,000	27,214	727,214
2026	710,000	13,704	723,704
	<u>\$ 4,070,000</u>	<u>\$ 279,368</u>	<u>\$ 4,349,368</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
 Fund: Water Fund (Impact fees)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
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	1,055,000	72,674	1,127,674
2026-2027	2,175,000	73,688	2,248,688
	<u>\$ 7,220,000</u>	<u>\$ 663,978</u>	<u>\$ 7,883,978</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	\$ 1,648,843	\$ -	\$ (231,640)	\$ 1,417,203	\$ -
Compensated absences	7,111,000	5,350,174	(5,897,844)	6,563,330	2,853,465
Total	\$ 8,759,843	\$ 5,350,174	\$ (6,129,484)	\$ 7,980,533	\$ 2,853,465
Business-type activities					
Compensated absences	\$ 296,023	\$ 431,630	\$ (434,715)	\$ 292,938	\$ 141,926
Total	\$ 296,023	\$ 431,630	\$ (434,715)	\$ 292,938	\$ 141,926

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 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, 2020.

Project type	Remaining commitment
Public safety	\$ 825,180
Highways and public improvements	3,194,422
Parks, recreation and culture	22,050
Water	3,712,515
	\$ 7,754,167

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 \$642,615.

	Governmental Activities	Business-type activities
Roads	\$ 332,644	\$ -
Water	-	310,071
	\$ 332,644	\$ 310,071

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
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
	\$ 22,791,576	\$ 4,738,028



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 were secured by the property financed and were payable solely from payments received on the underlying mortgage loans. The City was not obligated in any manner for repayment of the bonds. Accordingly, the bonds were not ever reported as liabilities in the City’s financial statements.

On March 2, 2020, the Series 2004 Industrial Revenue Bonds were redeemed in full and ownership of the acquired facilities transferred to the private-sector entity.

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	\$ 360,565
RDA Area 2	167,160
RDA Area 4	399,925
RDA Area 5	320,484
RDA Area 6	114,414
EDA Area 2	1,336,645
EDA Area 3	1,193,017
EDA Area 4	35,132
CDA Area 1	334,910
	4,262,252
Interest earnings	252,542
Total	\$ 4,514,794

B. Redevelopment Activity

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

Administrative costs	\$ 151,049
Principal	3,065,000
Interest	139,990
Redevelopment activity	9,027,496
Total	\$ 12,383,535

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 \$1,049,816 payable through fiscal year 2022. In the current year, principal and interest paid was \$815,000 and \$80,812, respectively. Total incremental property tax revenues were \$1,336,645 (149% of debt service).

On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) calendar 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.

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 60	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	4 years age 65	1.50% per year all years	Up to 2.5%
		10 years age 62*		
		20 years age 60*		
		35 years any age		
Tier 2 Public Safety and Firefighter System	Highest 5 years	4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%
		10 years age 62*		
		20 years age 60*		
		25 years any age		

* Actuarial reductions are applied.

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

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NOTE 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, 2020 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	15.66%	1.03%
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	21.04%	0.70%
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	11.38%	0.70%
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, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,901,791	NA
Contributory System	6,739	2,796
Public Safety System	1,684,907	-
Firefighters System	332,446	762,125
Tier 2 Public Employees System	772,387	-
Tier 2 Public Safety and Firefighter System	678,942	-
Tier 2 DC Only System	56,589	NA
Tier 2 DC Public Safety and Firefighter System	31,956	NA
Total contributions	\$ 5,465,757	\$ 764,921

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, 2020, the City reported a net pension asset of \$3,543,419 and a net pension liability of \$9,398,591.

System	Measurement Date: December 31, 2019			Proportionate Share December 31, 2018	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 4,781,984	1.26881111%	1.2468246%	0.0219865%
Contributory System	-	23,928	0.3651152%	0.3392182%	0.0258970%
Public Safety System	-	4,314,621	8.6883255%	9.1743034%	-0.4859779%
Firefighters System	3,543,419	-	5.6666294%	5.6319581%	0.0346713%
Tier 2 Public Employees System	-	76,969	0.3422252%	0.3632005%	-0.0209753%
Tier 2 Public Safety and Firefighter System	-	201,091	2.1378063%	1.8520053%	0.2858010%
	<u>\$ 3,543,419</u>	<u>\$ 9,398,593</u>			

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2019 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, 2020, the City recognized a pension expense of \$4,447,068.

At June 30, 2020, 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	\$ 3,361,868	\$ 672,405
Changes in assumptions	2,515,241	127,785
Net difference between projected and actual earnings on pension plan investments	-	6,421,448
Changes in proportion and differences between contributions and proportionate share of contributions	291,527	156,440
Contributions subsequent to the measurement date	2,707,222	-
	<u>\$ 8,875,858</u>	<u>\$ 7,378,078</u>

Deferred outflows of resources related to pensions of \$2,707,222 results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.



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
2020	\$ 472,115
2021	(12,578)
2022	612,179
2023	(2,428,030)
2024	16,222
Thereafter	130,653

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

At June 30, 2020, the City recognized pension expense of \$2,491,205.

At June 30, 2020, 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	\$ 434,978	\$ 68,690
Changes in assumptions	506,468	-
Net difference between projected and actual earnings on pension plan investments	-	2,418,291
Changes in proportion and differences between contributions and proportionate share of contributions	123,654	53,212
Contributions subsequent to the measurement date	923,983	-
	<u>\$ 1,989,083</u>	<u>\$ 2,540,193</u>

Deferred outflows of resources related to pensions of \$923,983 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (137,498)
2021	(503,069)
2022	84,865
2023	(919,391)
2024	-
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, 2020, the City recognized a pension expense of \$705.

At June 30, 2020, 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	-	59,732
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	1,939	-
	\$ 1,939	\$ 59,732

Deferred outflows of resources related to pensions of \$1,939 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (21,141)
2021	(17,400)
2022	1,094
2023	(22,285)
2024	-
Thereafter	-

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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, 2020, the City recognized pension expense of \$2,396,323.

At June 30, 2020, 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	\$ 2,845,237	\$ -
Changes in assumptions	873,447	19,634
Net difference between projected and actual earnings on pension plan investments	-	1,589,723
Changes in proportion and differences between contributions and proportionate share of contributions	69,854	103,228
Contributions subsequent to the measurement date	823,967	-
	\$ 4,612,505	\$ 1,712,585

Deferred outflows of resources related to pensions of \$823,967 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ 1,354,750
2021	882,199
2022	448,447
2023	(609,443)
2024	-
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, 2020, the City recognized pension expense of \$(1,466,739).

At June 30, 2020, 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	\$ -	\$ 577,231
Changes in assumptions	1,054,699	104,124
Net difference between projected and actual earnings on pension plan investments	-	2,245,108
Changes in proportion and differences between contributions and proportionate share of contributions	18,027	-
Contributions subsequent to the measurement date	161,324	-
	\$ 1,234,050	\$ 2,926,463

Deferred outflows of resources related to pensions of \$161,324 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (711,156)
2021	(363,473)
2022	70,887
2023	(849,994)
2024	-
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, 2020, the City recognized pension expense of \$432,640.

At June 30, 2020, 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	\$ 21,532	\$ 26,416
Changes in assumptions	32,866	2,212
Net difference between projected and actual earnings on pension plan investments	-	59,166
Changes in proportion and differences between contributions and proportionate share of contributions	55,843	-
Contributions subsequent to the measurement date	425,536	-
	<u>\$ 535,777</u>	<u>\$ 87,794</u>

Deferred outflows of resources related to pensions of \$425,536 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (8,291)
2021	(7,139)
2022	2,970
2023	(15,993)
2024	7,678
Thereafter	43,224

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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, 2020, the City recognized pension expense of \$592,935.

At June 30, 2020, 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	\$ 60,120	\$ 65
Changes in assumptions	47,761	1,815
Net difference between projected and actual earnings on pension plan investments	-	49,428
Changes in proportion and differences between contributions and proportionate share of contributions	24,150	-
Contributions subsequent to the measurement date	370,473	-
	\$ 502,504	\$ 51,308

Deferred outflows of resources related to pensions of \$370,473 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (4,548)
2021	(3,695)
2022	3,918
2023	(10,923)
2024	8,545
Thereafter	87,429

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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, 2019 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, 2019 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by 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	\$ 14,935,797	\$ 4,781,982	\$ (3,686,192)
Contributory System	186,803	23,928	(113,416)
Public Safety System	11,914,533	4,314,621	(1,883,997)
Firefighters System	4,698,001	(3,543,419)	(10,324,272)
Tier 2 Public Employees System	663,738	76,969	(376,495)
Tier 2 Public Safety and Firefighter System	710,379	201,091	(176,971)
	\$ 33,109,251	\$ 5,855,172	\$ (16,561,343)

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 2018	FY 2019	FY 2020
401 (k) Plan			
Employer contributions	\$ 295,735	\$ 289,687	\$ 295,735
Employee contributions	36,560	50,547	36,560
457 Plan			
Employer contributions	75,948	83,369	66,703
Employee contributions	23,336	18,545	21,625



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 is made by the participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. These investments are within the legal provisions of the State of Utah.

B. Defined Contribution Money Purchase Plan

The City also participates in insured, contributory defined contribution retirement plans administered by ICMA Retirement Corporation. Under the plan, the City contributes amounts from 1.16% to 31.50% 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 \$1,597,542 in governmental activities, and \$103,859 in business-type activities for a total accrual amount of \$1,701,401.



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
Restricted					
Debt service	\$ 6,045	\$ -	\$ 884	\$ 2,792	\$ 9,721
Impact fees	-	-	13,981,460	18,453	13,999,913
State funds	-	-	7,109,133	780,652	7,889,785
Assigned					
Redevelopment	-	8,587,253	-	-	8,587,253
Limited purpose fund	-	-	-	4,324,888	4,324,888
Community center	-	-	5,700,000	-	5,700,000
Capital projects	-	-	2,505,756	-	2,505,756
Unassigned	11,605,515	-	-	-	11,605,515
	<u>\$11,611,560</u>	<u>\$ 8,587,253</u>	<u>\$ 29,297,233</u>	<u>\$ 5,126,785</u>	<u>\$ 54,622,831</u>

NOTE 22 – RECENT ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87 *Leases*. The statement is meant to increase the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. Statement 87 is effective for fiscal years beginning after June 30, 2022 and earlier adopting is encouraged. The City is currently evaluating the impact of this statement on the financial statements when implemented.

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 31, 2021 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 July 29, 2020, the City received a distribution in the amount of \$3,428,174 from Salt Lake County from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Of that amount, \$1,683,488 was spent in the current fiscal year (FY2020) and recorded as a receivable. The remaining amount is required to be spent by December 31, 2020 in continued remediation efforts focused on the health pandemic and its effects on the City’s economy and public health.

One October 6, 2020, the City received a distribution in the amount of \$3,428,174 from Salt Lake County from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). These funds are required to be spent by December 31, 2020 in continued remediation efforts focused on the health pandemic and its effects on the City’s economy and public health.

REQUIRED SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2020



Small and Tall Princess Ball – February 13, 2020

**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	\$ 22,752,532	\$ 22,752,532	\$ 24,666,933	\$ 1,914,401
Property tax	16,983,731	16,983,731	17,447,176	463,445
Franchise tax	8,028,620	8,028,620	7,382,471	(646,149)
Licenses and permits	2,609,500	2,609,500	4,158,614	1,549,114
Intergovernmental	1,337,966	1,410,825	2,953,981	1,543,156
Charges for services	3,600,762	3,600,762	3,582,552	(18,210)
Fines and forfeitures	1,180,000	1,180,000	1,157,408	(22,592)
Miscellaneous	538,500	538,500	821,077	282,577
Investment income	100,000	100,000	290,891	190,891
Total revenues	57,131,611	57,204,470	62,461,103	5,256,633
EXPENDITURES				
General government				
Legislative services	321,612	321,612	332,840	11,228
Administrative services	672,024	672,024	600,914	(71,110)
Communications	856,829	856,829	576,506	(280,323)
Facilities management	1,504,723	1,504,723	1,410,706	(94,017)
Finance	941,069	941,069	904,616	(36,453)
Human resources	379,802	379,802	353,863	(25,939)
Information technologies	1,774,844	1,799,844	1,775,607	(24,237)
Justice court	869,404	881,404	824,881	(56,523)
Legal services	1,738,469	1,738,469	1,542,792	(195,677)
Non-departmental	1,502,373	2,798,873	2,278,454	(520,419)
Records management	177,722	177,722	177,207	(515)
Total general government	10,738,871	12,072,371	10,778,386	(1,293,985)
Community development				
Boards and commissions	11,900	11,900	12,991	1,091
Community preservation	629,367	629,367	547,391	(81,976)
Development services	1,886,224	1,916,224	1,763,323	(152,901)
Economic development	582,350	582,350	290,032	(292,318)
Total community development	3,109,841	3,139,841	2,613,737	(526,104)
Public safety				
Fire department	12,172,767	12,172,767	11,986,506	(186,261)
Police department	21,736,921	21,849,780	20,508,594	(1,341,186)
Total public safety	33,909,688	34,022,547	32,495,100	(1,527,447)
Highways and public improvements				
Public works administration	967,836	967,836	747,586	(220,250)
Engineering	583,053	583,053	680,087	97,034
GIS	399,360	399,360	392,666	(6,694)
Streets and highways	3,097,387	3,172,387	2,808,187	(364,200)
Total highways and public improvements	5,047,636	5,122,636	4,628,526	(494,110)
Parks, recreation, and culture				
Parks and recreation	3,738,722	3,738,722	3,489,883	(248,839)
Cemetery	146,154	146,154	134,356	(11,798)
Total parks, recreation, and culture	3,884,876	3,884,876	3,624,239	(260,637)
Debt service				
Principal	1,669,608	1,448,508	1,300,000	(148,508)
Interest and fiscal charges	217,822	192,852	183,431	(9,421)
Total debt service	1,887,430	1,641,360	1,483,431	(157,929)
Total expenditures	58,578,342	59,883,631	55,623,419	(4,260,212)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,446,731)	\$ (2,679,161)	\$ 6,837,684	\$ 9,516,845



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)
BUDGET TO ACTUAL
GENERAL FUND

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	\$ -	\$ -	\$ 25,617	\$ -
Transfers in	-	-	5,110	5,110
Transfers out	(950,000)	(1,016,389)	(7,792,106)	(6,775,717)
Net other financing sources (uses)	<u>(950,000)</u>	<u>(1,016,389)</u>	<u>(7,761,379)</u>	<u>(6,770,607)</u>
Net change in fund balance	\$ (2,396,731)	\$ (3,695,550)	(923,695)	\$ 2,746,238
Fund balance at beginning of year			<u>12,535,255</u>	
Fund balance at end of year			<u>\$ 11,611,560</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	\$ 4,361,769	\$ 4,287,121	\$ 4,262,252	\$ (24,869)
Investment income	-	186,594	252,542	65,948
Total revenues	<u>4,361,769</u>	<u>4,473,715</u>	<u>4,514,794</u>	<u>41,079</u>
EXPENDITURES				
Community development	3,602,612	9,170,187	9,178,545	8,358
Debt service				
Principal	815,000	815,000	3,065,000	2,250,000
Interest and fiscal charges	82,312	202,312	139,990	(62,322)
Total expenditures	<u>4,499,924</u>	<u>10,187,499</u>	<u>12,383,535</u>	<u>2,196,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,155)</u>	<u>(5,713,784)</u>	<u>(7,868,741)</u>	<u>(2,154,957)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	4,500,000	4,500,000
Transfers in	50,000	136,389	50,000	(86,389)
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>50,000</u>	<u>136,389</u>	<u>4,550,000</u>	<u>4,413,611</u>
Net change in fund balance	<u>\$ (88,155)</u>	<u>\$ (5,577,395)</u>	<u>(3,318,741)</u>	<u>\$ 2,258,654</u>
Fund balance at beginning of year			<u>11,905,994</u>	
Fund balance at end of year			<u>\$ 8,587,253</u>	



**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%
2019	1.2688111%	0.3651152%	8.6883255%	5.6666294%	0.3422252%	2.1378063%
Proportionate share of the net pension liability (asset)						
2014	\$ 5,080,893	\$ 93,456	\$ 3,280,729	\$ (539,772)	\$ (6,136)	\$ (30,595)
2015	6,944,683	290,902	4,427,539	929,860	(590)	(29,446)
2016	7,782,349	92,702	5,865,818	820,411	32,888	(13,614)
2017	5,542,395	24,868	4,515,735	(1,296,140)	30,422	(17,954)
2018	9,181,272	137,656	7,229,314	2,276,167	155,551	46,403
2019	4,781,982	23,928	4,314,621	(3,543,419)	76,969	201,091
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
2019	10,619,793	65,426	5,519,353	4,815,909	4,757,046	3,523,470
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%
2019	45.03%	36.57%	78.17%	-73.58%	1.62%	5.71%
Plan fiduciary net position as a percentage of the total pension liability						
2014	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
2015	87.8%	85.7%	87.6%	98.1%	100.2%	110.7%
2016	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
2017	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%
2018	87.0%	91.2%	85.6%	96.1%	90.8%	95.6%
2019	93.7%	98.6%	91.7%	105.8%	96.5%	89.6%

* 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 payroll
Noncontributory System	2014	\$ 1,688,521	\$ 1,688,521	\$ -	\$ 9,915,750	17.03%
	2015	1,849,992	1,849,992	-	10,195,584	18.15%
	2016	1,895,144	1,895,144	-	10,456,544	18.12%
	2017	1,883,503	1,883,503	-	10,386,083	18.13%
	2018	1,873,328	1,873,328	-	10,320,881	18.15%
	2019	1,890,765	1,890,765	-	10,480,494	18.04%
	2020	1,901,791	1,901,791	-	10,539,272	18.04%
Contributory System	2014	\$ 22,708	\$ 22,708	\$ -	\$ 170,991	13.28%
	2015	25,231	25,231	-	174,485	14.46%
	2016	18,197	18,197	-	123,358	14.75%
	2017	8,864	8,864	-	61,298	14.46%
	2018	9,055	9,055	-	62,525	14.48%
	2019	9,321	9,321	-	64,459	14.46%
	2020	6,739	6,739	-	46,603	14.46%
Public Safety System	2014	\$ 1,613,136	\$ 1,613,136	\$ -	\$ 5,149,019	31.33%
	2015	1,685,006	1,685,006	-	5,322,889	31.66%
	2016	1,871,960	1,871,960	-	5,885,461	31.81%
	2017	1,907,382	1,907,382	-	5,992,379	31.83%
	2018	1,823,310	1,823,310	-	5,731,430	31.81%
	2019	1,745,659	1,745,659	-	5,559,041	31.40%
	2020	1,684,907	1,684,907	-	5,439,513	30.98%
Firefighters System	2014	\$ 177,099	\$ 177,099	\$ -	\$ 4,766,632	3.72%
	2015	299,046	299,046	-	4,707,165	6.35%
	2016	318,364	318,364	-	5,133,223	6.20%
	2017	320,243	320,243	-	5,165,166	6.20%
	2018	318,396	318,396	-	5,019,492	6.34%
	2019	336,248	336,248	-	4,850,595	6.93%
	2020	332,446	332,446	-	4,659,333	7.14%
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%
	2020	772,387	772,387	-	4,963,859	15.56%
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%
	2020	678,942	678,942	-	4,049,461	16.77%
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%
	2020	56,589	56,589	-	826,256	6.85%
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%
	2020	31,956	31,956	-	447,678	7.14%

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

* 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

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

SUPPLEMENTARY INFORMATION



For Fiscal Year Ended June 30, 2020



West Jordan Public Works assists Salt Lake City in storm clean-up – September 2020



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

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact fees	\$ 2,657,000	\$ 4,857,000	\$ 5,047,729	\$ 190,729
Intergovernmental	7,625,000	7,625,000	3,779,783	(3,845,217)
Miscellaneous	-	-	83,518	83,518
Investment income	76,000	76,000	406,996	330,996
Total revenues	<u>10,358,000</u>	<u>12,558,000</u>	<u>9,318,026</u>	<u>(3,239,974)</u>
<u>EXPENDITURES</u>				
Public safety	295,389	295,389	275,519	(19,870)
Highways and public improvements	16,562,696	13,043,988	7,028,715	(6,015,273)
Parks, recreation, and culture	5,225,297	5,225,297	2,980,373	(2,244,924)
Total expenditures	<u>22,083,382</u>	<u>18,564,674</u>	<u>10,284,607</u>	<u>(8,280,067)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,725,382)</u>	<u>(6,006,674)</u>	<u>(966,581)</u>	<u>5,040,093</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	4,590,000	850,000	7,704,006	6,854,006
Transfers out	(440,000)	-	(5,110)	(5,110)
Net other financing sources (uses)	<u>4,150,000</u>	<u>850,000</u>	<u>7,698,896</u>	<u>6,848,896</u>
Net change in fund balance	<u>\$ (7,575,382)</u>	<u>\$ (5,156,674)</u>	<u>6,732,315</u>	<u>\$ 11,888,989</u>
Fund balance at beginning of year			<u>22,565,314</u>	
Fund balance at end of year			<u>\$ 29,297,629</u>	

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.

Police Impact Fee Fund

The Police Impact Fee Fund is used to account for the activities of the police impact fees collected to provide public safety facilities needed to support growth. The fund is currently dedicated to for debt service on a police substation located in a fire station.

Fire Impact Fee Fund

The Fire Impact Fee Fund is used to account for the activities of the fire impact fees collected to provide public safety facilities needed to support growth. The fund is currently dedicated to for debt service on a fire station.



West Jordan Police



**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
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,050,235	\$ 715,483	\$ 55,283	\$ 7,677	\$ 837,946
Accounts receivable (net of allowance)	-	-	-	6,703	-
Due from other governments	-	678,427	10,258	-	-
Due from other funds	-	-	-	-	-
Restricted cash	2,346	-	-	-	446
Total assets	2,052,581	1,393,910	65,541	14,380	838,392
<u>LIABILITIES</u>					
Accounts payable	-	78,241	897	14,380	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	78,241	897	14,380	-
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property taxes	-	-	10,131	-	-
Total deferred Inflows of resources	-	-	10,131	-	-
<u>FUND BALANCE</u>					
Restricted	2,346	-	-	-	446
Assigned	2,050,235	1,315,669	54,513	-	837,946
Unassigned	-	-	-	-	-
Total fund balances	2,052,581	1,315,669	54,513	-	838,392
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,052,581	\$ 1,393,910	\$ 65,541	\$ 14,380	\$ 838,392

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COMBINING BALANCE SHEET (continued)
NON-MAJOR GOVERNMENTAL FUNDS

	Community Development Block Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 26,725	\$ 19,377	\$ -	\$ 3,712,726
Accounts receivable (net of allowance)	670,111	-	-	676,814
Due from other governments	79,027	-	-	767,712
Due from other funds	-	18,801	-	18,801
Restricted cash	110,541	-	-	113,333
Total assets	886,404	38,178	450,285	5,289,386
<u>LIABILITIES</u>				
Accounts payable	34,560	378	546	129,002
Accrued liabilities	4,667	-	-	4,667
Due to other funds	-	-	18,801	18,801
Total liabilities	39,227	378	19,347	152,470
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property taxes	-	-	-	10,131
Total deferred Inflows of resources	-	-	-	10,131
<u>FUND BALANCE</u>				
Restricted	780,652	37,800	(19,347)	801,897
Assigned	66,525	-	-	4,324,888
Unassigned	-	-	-	-
Total fund balances	847,177	37,800	(19,347)	5,126,785
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 886,404	\$ 38,178	\$ -	\$ 5,289,386



**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
<u>REVENUES</u>					
Property tax	\$ -	\$ -	\$ 11,356	\$ -	\$ -
Impact fees	-	-	-	-	-
Intergovernmental	-	3,986,380	-	-	-
Charges for services	1,851,950	-	-	85,309	-
Miscellaneous	-	-	-	-	466,981
Investment income	33,844	16,206	1,018	-	10,449
Total revenues	1,885,794	4,002,586	12,374	85,309	477,430
<u>EXPENDITURES</u>					
Community development	-	-	-	-	-
Highways and public improvements	63,052	3,682,503	13,250	115,010	-
Debt service:					
Principal	745,000	-	-	-	-
Interest and fiscal charges	1,106,975	-	-	200	-
Total expenditures	1,915,027	3,682,503	13,250	115,210	-
Excess (deficiency) of revenues over (under) expenditures	(29,233)	320,083	(876)	(29,901)	477,430
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	-	-	-	38,100	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	38,100	-
Net change of fund balance	(29,233)	320,083	(876)	8,199	477,430
Fund balance at beginning of year	2,081,814	995,586	55,389	(8,199)	360,962
Fund balance at end of year	\$ 2,052,581	\$ 1,315,669	\$ 54,513	\$ -	\$ 838,392

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

	Community Development Block Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Non-Major Governmental Funds
<u>REVENUES</u>				
Property tax	\$ -	\$ -	\$ -	\$ 11,356
Impact fees	-	196,636	311,544	508,180
Intergovernmental	554,436	-	-	4,540,816
Charges for services	-	-	-	1,937,259
Miscellaneous	-	-	-	466,981
Investment income	240	94	-	61,851
Total revenues	554,676	196,730	311,544	7,526,443
<u>EXPENDITURES</u>				
Community development	418,276	-	-	418,276
Highways and public improvements	-	-	-	3,873,815
Debt service:				-
Principal	155,000	134,000	201,000	1,235,000
Interest and fiscal charges	2,557	15,133	22,700	1,147,565
Total expenditures	575,833	149,133	223,700	6,674,656
Excess (deficiency) of revenues over (under) expenditures	(21,157)	47,597	87,844	851,787
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	-	38,100
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	38,100
Net change of fund balance	(21,157)	47,597	87,844	889,887
Fund balance at beginning of year	868,334	(9,797)	(107,191)	4,236,898
Fund balance at end of year	\$ 847,177	\$ 37,800	\$ (19,347)	\$ 5,126,785



**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
REVENUES				
Charges for services	\$ 1,851,950	\$ 1,851,950	\$ 1,851,950	\$ -
Investment income	15,000	15,000	33,844	18,844
Total revenues	<u>1,866,950</u>	<u>1,866,950</u>	<u>1,885,794</u>	<u>18,844</u>
EXPENDITURES				
Highways and public improvements			63,052	63,052
Debt service				
Principal	745,000	745,000	745,000	-
Interest and fiscal charges	1,106,950	1,106,950	1,106,975	25
Total expenditures	<u>1,851,950</u>	<u>1,851,950</u>	<u>1,915,027</u>	<u>63,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,000</u>	<u>15,000</u>	<u>(29,233)</u>	<u>(44,233)</u>
Net change in fund balance	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>(29,233)</u>	<u>\$ (44,233)</u>
Fund balance at beginning of year			<u>2,081,814</u>	
Fund balance at end of year			<u>\$ 2,052,581</u>	



**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
<u>REVENUES</u>				
Intergovernmental	\$ 4,350,000	\$ 4,350,000	\$ 3,986,380	\$ (363,620)
Investment income	93,000	93,000	16,206	(76,794)
Total revenues	<u>4,443,000</u>	<u>4,443,000</u>	<u>4,002,586</u>	<u>(440,414)</u>
<u>EXPENDITURES</u>				
Highways and public improvements	1,786,726	5,036,726	3,682,503	(1,354,223)
Total expenditures	<u>1,786,726</u>	<u>5,036,726</u>	<u>3,682,503</u>	<u>(1,354,223)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,656,274</u>	<u>(593,726)</u>	<u>320,083</u>	<u>913,809</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(3,250,000)	-	-	-
Net other financing sources (uses)	<u>(3,250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (593,726)</u>	<u>\$ (593,726)</u>	<u>320,083</u>	<u>\$ 913,809</u>
Fund balance at beginning of year			<u>995,586</u>	
Fund balance at end of year			<u>\$ 1,315,669</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	\$ 10,938	\$ 10,938	\$ 11,356	\$ 418
Investment income	-	-	1,018	1,018
Total revenues	10,938	10,938	12,374	1,436
EXPENDITURES				
Highways and public improvements	14,653	14,653	13,250	(1,403)
Total expenditures	14,653	14,653	13,250	(1,403)
Excess (deficiency) of revenues over (under) expenditures	(3,715)	(3,715)	(876)	2,839
Net change in fund balance	\$ (3,715)	\$ (3,715)	(876)	\$ 2,839
Fund balance at beginning of year			55,389	
Fund balance at end of year			\$ 54,513	



**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	\$ 95,000	\$ 95,000	\$ 85,309	\$ (9,691)
Total revenues	95,000	95,000	85,309	(9,691)
<u>EXPENDITURES</u>				
Parks, recreation, and culture	91,665	111,665	115,010	3,345
Interest and fiscal charges	-	-	200	200
Total expenditures	91,665	111,665	115,210	3,545
Excess (deficiency) of revenues over (under) expenditures	3,335	(16,665)	(29,901)	(13,236)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	30,000	38,100	8,100
Net other financing sources (uses)	-	30,000	38,100	8,100
Net change in fund balance	\$ 3,335	\$ 13,335	8,199	\$ (5,136)
Fund balance at beginning of year			(8,199)	
Fund balance at end of year			\$ -	



**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>				
Miscellaneous	\$ -	\$ 235,000	\$ 466,981	\$ 231,981
Investment income	-	-	10,449	
Total revenues	-	235,000	477,430	231,981
<u>EXPENDITURES</u>				
Community development	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	235,000	477,430	231,981
Net change in fund balance	\$ -	\$ 235,000	477,430	\$ 231,981
Fund balance at beginning of year			360,962	
Fund balance at end of year			\$ 838,392	



**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	\$ 1,107,606	\$ 1,107,606	\$ 554,436	\$ (553,170)
Investment income	-	-	240	240
Total revenues	<u>1,107,606</u>	<u>1,107,606</u>	<u>554,676</u>	<u>(552,930)</u>
<u>EXPENDITURES</u>				
Community development	544,553	544,553	418,276	(126,277)
Highways and public improvements	407,216	407,216	-	(407,216)
Debt service				
Principal	160,000	160,000	155,000	(5,000)
Interest and fiscal charges	-	-	2,557	2,557
Total expenditures	<u>1,111,769</u>	<u>1,111,769</u>	<u>575,833</u>	<u>(535,936)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,163)</u>	<u>(4,163)</u>	<u>(21,157)</u>	<u>(16,994)</u>
Net change in fund balance	<u>\$ (4,163)</u>	<u>\$ (4,163)</u>	<u>(21,157)</u>	<u>\$ (16,994)</u>
Fund balance at beginning of year			<u>868,334</u>	
Fund balance at end of year			<u>\$ 847,177</u>	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 POLICE IMPACT FEE FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact Fees	\$ -	\$ 100,000	\$ 196,636	\$ 96,636
Investment income	-	-	94	94
Total revenues	-	100,000	196,730	96,730
<u>EXPENDITURES</u>				
Debt service				
Principal	-	90,450	134,00	43,550
Interest and fiscal charges	-	10,215	15,133	4,918
Total expenditures	-	100,665	149,133	48,468
Excess (deficiency) of revenues over (under) expenditures	-	(665)	47,597	48,262
Net change in fund balance	\$ -	\$ (665)	47,597	\$ 48,262
Fund balance at beginning of year			(9,797)	
Fund balance at end of year			\$ 37,800	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 FIRE IMPACT FEE FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact Fees	\$ -	\$ 225,000	\$ 311,544	\$ 86,544
Investment income	-	-	-	-
Total revenues	-	225,000	311,544	86,544
<u>EXPENDITURES</u>				
Debt service				
Principal	-	130,650	201,000	70,350
Interest and fiscal charges	-	14,755	22,700	7,945
Total expenditures	-	145,405	223,700	78,295
Excess (deficiency) of revenues over (under) expenditures	-	79,595	87,844	8,249
Net change in fund balance	\$ -	\$ 79,595	87,844	\$ 8,249
Fund balance at beginning of year			(107,191)	
Fund balance at end of year			\$ (19,347)	

INTERNAL SERVICE FUNDS

Fleet Management Fund

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

IT Replacement Fund

The IT Management Fund is used to account for the activities of the City's information technologies system and services.

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 Management Fund	Risk Management Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,551,256	\$ 1,425,630	\$ 923,129	\$ 6,900,015
Accounts receivable (net of allowance)	-	-	23,000	23,000
Net pension asset	47,599	-	8,577	56,176
Total current assets	<u>4,598,855</u>	<u>1,425,630</u>	<u>954,706</u>	<u>6,979,191</u>
Noncurrent assets				
Restricted cash	626,404	-	-	626,404
Capital assets				
Construction in progress	601,266	-	-	601,266
Equipment	21,020,056	1,571,324	-	22,591,380
Accumulated depreciation and amortization	(15,464,645)	(1,498,186)	-	(16,962,831)
Total noncurrent assets	<u>6,783,081</u>	<u>73,138</u>	<u>-</u>	<u>6,856,219</u>
Total assets	<u>11,381,936</u>	<u>1,498,768</u>	<u>954,706</u>	<u>13,835,410</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension costs	119,229	-	21,484	140,713
Total deferred outflows of resources	<u>119,229</u>	<u>-</u>	<u>21,484</u>	<u>140,713</u>
LIABILITIES				
Current liabilities				
Accounts payable	379,448	19,006	73,760	472,214
Accrued liabilities	20,817	-	4,411	25,228
Interest payable	45,028	-	-	45,028
Compensated absences	29,792	-	8,172	37,964
Bonds and leases payable	1,050,817	-	-	1,050,817
Customer deposits	-	-	-	-
Total current liabilities	<u>1,525,902</u>	<u>19,006</u>	<u>86,343</u>	<u>1,631,251</u>
Noncurrent liabilities				
Compensated absences	32,638	-	6,300	38,938
Net pension payable	126,251	-	22,750	149,001
Bonds and leases payable	2,495,864	-	-	2,495,864
Total noncurrent liabilities	<u>2,654,753</u>	<u>-</u>	<u>29,050</u>	<u>2,683,803</u>
Total liabilities	<u>4,180,655</u>	<u>19,006</u>	<u>115,393</u>	<u>4,315,054</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension gains	99,110	-	17,859	116,969
Total deferred Inflows of resources	<u>99,110</u>	<u>-</u>	<u>17,859</u>	<u>116,969</u>
NET POSITION				
Net investment in capital assets	3,236,400	73,138	-	3,309,538
Restricted				
Debt service	626,404	-	-	626,404
Unrestricted	3,358,596	1,406,624	842,938	5,608,158
Total net position	<u>\$ 7,221,400</u>	<u>\$ 1,479,762</u>	<u>\$ 842,938</u>	<u>\$ 9,544,100</u>

¹ Restricted cash is included in the calculated of net investment in capital assets because it is lease proceeds for the purchase of a Vector 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 Management Fund	Risk Management Fund	Total Internal Service Funds
<u>OPERATING REVENUES</u>				
Charges for services	\$ 4,484,528	\$ 330,000	\$ 1,508,765	\$ 6,323,293
Other	16,683	-	23,000	39,683
Total operating revenues	4,501,211	330,000	1,531,765	6,362,976
<u>OPERATING EXPENSES</u>				
Wages and benefits	681,265	-	146,834	828,099
Operations and maintenance	1,809,083	159,891	1,228,272	3,197,246
Depreciation and amortization	2,346,622	124,689	-	2,471,311
Total operating expenses	4,836,970	284,580	1,375,106	6,496,656
Operating income (loss)	(335,759)	45,420	156,659	(133,680)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	106,212	23,933	6,581	136,726
Interest and fiscal charges	(89,806)	-	-	(89,806)
Gain/(loss) on disposal of assets	218,718	-	-	218,718
Total nonoperating revenues (expenses)	235,124	23,933	6,581	265,638
Income (loss) before contributions and transfers	(100,635)	69,353	163,240	131,958
Change in net position	(100,635)	69,353	163,240	131,958
Total net position, beginning	7,322,035	1,410,409	679,698	9,412,142
Total net position, ending	\$ 7,221,400	\$ 1,479,762	\$ 842,938	\$ 9,544,100

**STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Receipts from customers and users	\$ 4,501,318	\$ 330,000	\$ 1,508,765	\$ 6,340,083
Payments to suppliers of goods and services	(1,531,417)	(163,239)	(1,177,395)	(2,872,051)
Payments to employees for services	(697,714)	-	(121,814)	(819,528)
Net cash provided (used) by operating activities	2,272,187	166,761	209,556	2,648,504
Cash flows from noncapital financing activities				
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	218,718	-	-	218,718
Purchases of capital assets	(2,952,352)	-	-	(2,952,352)
Proceeds from issuance of debt	912,311	-	-	912,311
Principal paid on debt	(1,215,648)	-	-	(1,215,648)
Interest and fiscal charges paid on capital debt	(90,935)	-	-	(90,935)
Net cash provided (used) by capital and related financing activities	(3,127,906)	-	-	(3,127,906)
Cash flows from investing activities				
Investment income	106,212	23,933	6,581	136,726
Net cash provided by investing activities	106,212	23,933	6,581	136,726
Net increase (decrease) in cash and cash equivalents	(749,507)	190,694	216,137	(342,676)
Cash and cash equivalents - beginning of year	5,927,167	1,234,936	706,992	7,869,095
Cash and cash equivalents - end of year	\$ 5,177,660	\$ 1,425,630	\$ 923,129	\$ 7,526,419
Reconciliation of operating income to net cash provided (used) by operating activities				
Operating income (loss)	\$ (335,759)	\$ 45,420	\$ 156,659	\$ (133,680)
Adjustments to reconcile operating income to net cash provided by:				
Depreciation and amortization	2,346,622	124,689	-	2,471,311
(Increase) decrease in receivables	107	-	(23,000)	(22,893)
(Increase) decrease in inventory	39,265	-	-	39,265
(Increase) decrease in payables	231,207	(3,349)	49,366	277,224
(Increase) decrease in liabilities	(9,255)	-	26,531	17,276
Net cash provided by operating activities	\$ 2,272,187	\$ 166,760	\$ 209,556	\$ 2,648,503

NON-MAJOR PROPRIETARY FUNDS

Solid Waste Fund

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

Streetlight Fund

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

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

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 420,853	\$ 1,390,659	\$ 1,811,512
Accounts receivable (net of allowance)	632,922	35,429	668,351
Net pension asset	11,426	-	11,426
Total current assets	<u>1,065,201</u>	<u>1,426,088</u>	<u>2,491,289</u>
Noncurrent assets			
Investments in joint ventures	6,236,404	-	6,236,404
Capital assets			
Equipment	1,610,410	-	1,610,410
Accumulated depreciation and amortization	(1,610,410)	-	(1,610,410)
Total noncurrent assets	<u>6,236,404</u>	<u>-</u>	<u>6,236,404</u>
Total assets	<u>7,301,605</u>	<u>1,426,088</u>	<u>8,727,693</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension costs	28,621	-	28,621
Total deferred outflows of resources	<u>28,621</u>	<u>-</u>	<u>28,621</u>
LIABILITIES			
Current liabilities			
Accounts payable	411,614	44,096	455,710
Accrued liabilities	5,362	-	5,362
Customer deposits	150	-	150
Total current liabilities	<u>417,126</u>	<u>44,096</u>	<u>461,222</u>
Noncurrent liabilities			
Compensated absences	2,024	-	2,024
Net pension payable	30,307	-	30,307
Total noncurrent liabilities	<u>32,331</u>	<u>-</u>	<u>32,331</u>
Total liabilities	<u>449,457</u>	<u>44,096</u>	<u>493,553</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension gains	23,792	-	23,792
Total deferred Inflows of resources	<u>23,792</u>	<u>-</u>	<u>23,792</u>
NET POSITION			
Net investment in capital assets	6,236,404	-	6,236,404
Unrestricted	620,573	1,381,992	2,002,565
Total net position	<u>\$ 6,856,977</u>	<u>\$ 1,381,992</u>	<u>\$ 8,238,969</u>

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

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
<u>OPERATING REVENUES</u>			
Charges for services	\$ 5,414,094	\$ 740,773	\$ 6,154,867
Other	-	12,251	12,251
Total operating revenues	<u>5,414,094</u>	<u>753,024</u>	<u>6,167,118</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	110,565	-	110,565
Administrative fees	544,957	-	544,957
Operations and maintenance	4,706,625	429,043	5,135,668
Total operating expenses	<u>5,362,147</u>	<u>429,043</u>	<u>5,791,190</u>
Operating income (loss)	<u>51,947</u>	<u>323,981</u>	<u>375,928</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	5,551	20,844	26,395
Equity in income of joint venture	492,827	-	492,827
Total nonoperating revenues (expenses)	<u>498,378</u>	<u>20,844</u>	<u>519,222</u>
Income (loss) before contributions and transfers	<u>550,325</u>	<u>344,825</u>	<u>895,150</u>
Change in net position	550,325	344,825	895,150
Total net position, beginning	<u>6,306,652</u>	<u>1,037,167</u>	<u>7,343,819</u>
Total net position, ending	<u>\$ 6,856,977</u>	<u>\$ 1,381,992</u>	<u>\$ 8,238,969</u>

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

	Solid Waste	Streetlight Fund	Non-Major Proprietary Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 5,476,334	\$ 778,304	\$ 6,254,638
Payments to suppliers of goods and services	(4,730,688)	(409,347)	(5,140,035)
Payments to employees for services	(117,260)	-	(117,260)
Payment for interfund services	(544,940)	-	(544,940)
Net cash provided (used) by operating activities	<u>83,446</u>	<u>368,957</u>	<u>452,403</u>
Cash flows from noncapital financing activities			
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities			
Investment income	5,551	20,844	26,395
Net cash provided by investing activities	<u>5,551</u>	<u>20,844</u>	<u>26,395</u>
Net increase (decrease) in cash and cash equivalents	88,997	389,801	478,798
Cash and cash equivalents - beginning of year	331,856	1,000,858	1,332,714
Cash and cash equivalents - end of year	<u>\$ 420,853</u>	<u>\$ 1,390,659</u>	<u>\$ 1,811,512</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 51,947	\$ 323,981	\$ 375,928
Adjustments to reconcile operating income to net cash provided by:			
(Increase) decrease in receivables	62,240	25,280	87,520
(Increase) decrease in payables	(26,335)	19,696	(6,639)
(Increase) decrease in liabilities	(4,406)	-	(4,406)
Net cash provided by operating activities	<u>\$ 83,446</u>	<u>\$ 368,957</u>	<u>\$ 452,403</u>

STATISTICAL SECTION



For Fiscal Year Ended June 30, 2020



30,000 Tree Initiative – November 2019

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 276,142	\$ 255,044	\$ 252,859	\$ 260,066	\$ 259,058	\$ 269,724	\$ 267,165	\$ 289,376	\$ 294,646	\$ 311,651
Restricted	17,176	15,204	15,710	19,888	20,911	18,571	43,553	30,655	21,247	22,526
Unrestricted	19,003	19,213	25,928	28,212	22,568	15,757	14,999	10,699	25,973	26,612
Total governmental net position	312,321	289,461	294,497	308,166	302,537	304,052	325,717	330,730	341,866	360,789
Business-type activities										
Net investment in capital assets	105,553	146,127	146,813	150,965	159,663	168,604	174,147	193,305	204,278	217,291
Restricted	6,473	3,521	3,975	3,860	1,073	5,490	3,779	9,919	7,441	7,853
Unrestricted	29,796	23,746	27,605	29,816	31,167	23,932	26,113	10,621	14,519	21,205
Total business-type net position	141,822	173,394	178,393	184,641	191,903	198,026	204,039	213,845	226,238	246,349
Primary government										
Net investment in capital assets	381,695	401,171	399,672	411,031	418,721	438,328	441,312	482,681	498,924	528,942
Restricted	23,649	18,725	19,685	23,748	21,984	24,061	47,332	40,574	28,688	30,379
Unrestricted	48,799	42,959	53,533	58,028	53,735	39,689	41,112	21,320	40,492	47,817
Total primary government net position	\$ 454,143	\$ 462,855	\$ 472,890	\$ 492,807	\$ 494,440	\$ 502,078	\$ 529,756	\$ 544,575	\$ 568,104	\$ 607,138



SCHEDULE 2 - CHANGE IN NET POSITION
Last Ten Fiscal Years

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 9,205	\$ 7,386	\$ 8,183	\$ 10,686	\$ 7,930	\$ 8,594	\$ 8,224	\$ 8,439	\$ 9,868	\$ 10,332
Community development	4,430	3,080	2,502	3,826	2,955	2,890	3,570	4,164	4,384	12,545
Public safety	23,318	23,191	22,948	24,521	24,021	28,606	30,169	30,160	33,468	33,838
Highways and public improvements	4,837	11,662	12,874	14,176	14,002	16,190	13,781	22,291	17,792	10,850
Parks, recreation, and culture	4,065	3,365	3,574	4,144	4,055	4,238	5,561	5,541	6,347	5,685
Debt service - interest and fiscal charges	1,331	1,086	862	804	628	658	1,353	1,568	1,007	1,269
Total governmental expenses	57,186	49,770	50,943	58,157	53,591	61,176	62,658	72,163	72,866	74,519
Business-type activities										
Water	12,497	13,500	13,698	15,132	16,113	17,442	19,963	19,450	21,238	22,153
Sewer	6,936	5,528	6,598	7,606	7,997	8,020	8,046	9,095	9,690	11,323
Solid waste	3,771	3,817	4,189	3,639	4,071	4,138	4,440	4,289	4,515	4,867
Storm water	-	1,396	1,735	1,983	2,012	2,742	2,725	3,303	4,027	3,950
Streetlight	-	-	-	-	-	-	590	322	286	429
Total business-type activities expenses	23,204	24,241	26,220	28,360	30,193	32,342	35,764	36,459	39,756	42,722
Total primary government expenses	\$ 80,390	\$ 74,011	\$ 77,163	\$ 86,517	\$ 83,784	\$ 93,518	\$ 98,422	\$ 108,622	\$ 112,622	117,241
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 8,017	\$ 3,015	\$ 2,306	\$ 5,612	\$ 2,123	\$ 2,445	\$ 2,167	\$ 2,009	\$ 3,005	3,022
Community development	1,690	1,893	2,277	2,333	2,341	2,729	3,496	3,453	3,602	5,334
Public safety	2,045	2,366	2,454	2,272	2,473	2,951	2,774	3,300	2,532	2,443
Highways & public improvements	1,446	1,833	1,489	1,263	1,259	1,078	848	566	1,449	2,915
Parks, recreation, and culture	351	428	239	258	255	236	255	324	2,015	2,520
Operating grants and contributions	3,479	3,675	3,777	3,702	3,991	4,229	4,469	4,557	6,161	9,195
Capital grants & contributions	2,393	2,909	2,339	13,963	3,114	5,176	23,998	12,323	13,746	11,833
Total governmental program revenues	19,421	16,119	14,881	29,403	15,556	18,844	38,007	26,532	32,510	37,262
Business-type activities										
Charges for services										
Water	12,885	14,072	15,117	16,481	15,778	16,078	17,261	18,849	23,552	30,014
Sewer	7,549	7,791	7,643	8,350	8,485	8,120	8,805	9,342	10,847	12,828
Solid waste	4,089	4,149	4,242	4,033	4,140	4,032	4,231	4,499	4,929	5,414
Storm water	-	806	1,540	1,869	1,777	2,173	2,967	3,139	4,975	7,515
Streetlight	-	-	-	-	-	-	727	709	718	753
Operating grants and contributions	-	-	-	-	3,186	2,354	184	61	-	-
Capital grants & contributions	2,142	3,867	4,632	3,835	2,618	4,028	7,122	9,235	6,561	5,874
Total business-type program revenues	26,665	30,685	33,174	34,568	35,984	36,785	41,297	45,834	51,582	62,398
Total primary government program revenues	\$ 46,086	\$ 46,804	\$ 48,055	\$ 63,971	\$ 51,540	\$ 55,629	\$ 79,304	\$ 72,366	\$ 84,092	\$ 99,660
Net (expense)/revenue										
Governmental activities	\$ (37,765)	\$ (33,651)	\$ (36,062)	\$ (28,754)	\$ (38,035)	\$ (42,332)	\$ (24,651)	\$ (45,631)	\$ (40,356)	\$ (37,257)
Business-type activities	3,461	6,444	6,954	6,208	5,791	4,443	5,533	9,375	11,825	19,676
Total primary government net expense	\$ (34,304)	\$ (27,207)	\$ (29,108)	\$ (22,546)	\$ (32,244)	\$ (37,889)	\$ (19,118)	\$ (36,256)	\$ (28,531)	\$ (17,581)



SCHEDULE 2 - CHANGE IN NET POSITION
Last Ten Fiscal Years

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>General revenues & other changes in net position</u>										
Governmental activities										
Taxes										
Sales taxes	\$ 13,560	\$ 14,468	\$ 15,162	\$ 15,976	\$ 16,846	\$ 17,371	\$ 18,583	\$ 19,922	\$ 20,934	\$ 24,667
Property taxes	11,487	10,626	14,094	13,668	13,389	13,749	13,947	14,058	16,733	17,459
Tax increment	2,651	2,283	2,794	3,398	3,825	3,978	3,773	3,710	4,022	4,262
Franchise taxes	7,129	7,409	7,964	8,113	7,871	7,806	7,932	7,652	7,457	7,382
Investment income	157	179	196	214	199	295	515	815	1,454	1,012
Gain/(loss) on sale & disposal of assets	781	188	102	29	723	279	422	4,074	176	26
Miscellaneous	910	261	248	947	552	817	494	362	716	1,372
Transfers - net	64	(21,118)	925	80	(1,950)	50	(5)	50	-	-
Total governmental activities	36,739	14,296	41,485	42,425	41,455	44,345	45,661	50,643	51,492	56,180
Business-type activities										
Investment income	62	115	189	120	113	184	275	481	567	421
Gain/(loss) on sale & disposal of assets	-	390	136	-	-	-	-	-	-	13
Transfers - net	(64)	21,118	(925)	(80)	1,950	(50)	5	(50)	-	-
Total business-type activities	(2)	21,623	(600)	40	2,063	134	280	431	567	434
Total primary government	\$ 36,737	\$ 35,919	\$ 40,885	\$ 42,465	\$ 43,518	\$ 44,479	\$ 45,941	\$ 51,074	\$ 52,059	56,614
<u>Change in net position</u>										
Governmental activities	\$ (1,026)	\$ (19,355)	\$ 5,423	\$ 13,671	\$ 3,420	\$ 2,013	\$ 21,010	\$ 5,012	\$ 11,136	18,923
Business-type activities	3,459	28,067	6,354	6,248	7,854	4,577	5,813	9,806	12,392	20,110
Total primary government	\$ 2,433	\$ 8,712	\$ 11,777	\$ 19,919	\$ 11,274	\$ 6,590	\$ 26,823	\$ 14,818	\$ 23,528	\$ 39,033

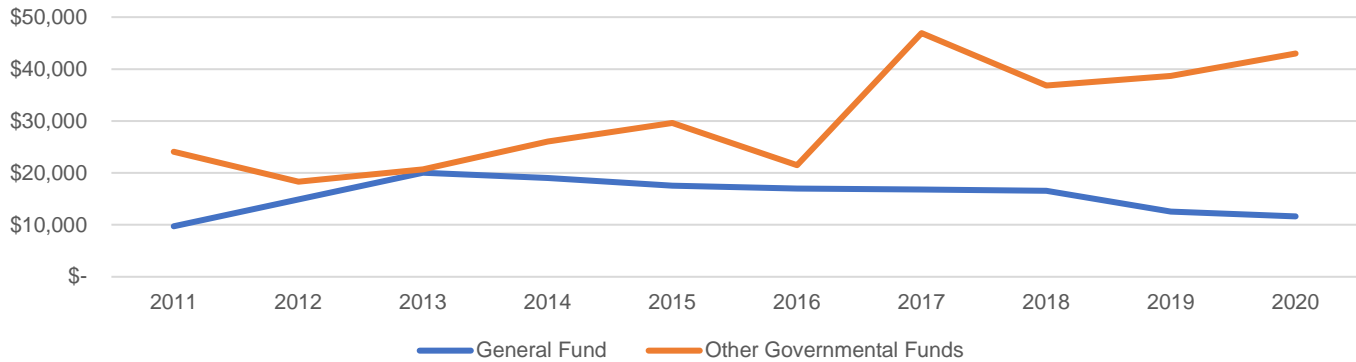


SCHEDULE 3 - FUND BALANCE, GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ 282	\$ 6	\$ 90	\$ 161	\$ 164	\$ 167	\$ 57	\$ 109	\$ 482	\$ -
Restricted	4,412	6,003	6,308	5,794	5,233	6,502	6,042	4,951	-	6
Assigned	19	620	598	568	770	893	47	148	-	-
Unassigned	5,015	8,263	13,042	12,514	11,362	9,425	10,692	11,345	12,053	11,606
Total General Fund	\$ 9,728	\$ 14,892	\$ 20,038	\$ 19,037	\$ 17,529	\$ 16,987	\$ 16,838	\$ 16,553	\$ 12,535	\$ 11,612
All other governmental funds										
Nonspendable	48	80	-	-	-	-	689	653	644	\$ -
Restricted	12,461	9,202	9,402	14,094	15,678	12,069	37,747	23,797	20,812	21,893
Committed	1,002	1,849	500	500	-	-	-	-	-	-
Assigned	10,564	7,184	10,897	11,501	13,970	9,406	10,069	18,386	22,115	21,118
Unassigned	-	-	(134)	(60)	-	-	(1,580)	(6,006)	(4,863)	-
Total all other governmental funds	\$ 24,075	\$ 18,315	\$ 20,665	\$ 26,035	\$ 29,648	\$ 21,475	\$ 46,925	\$ 36,830	\$ 38,708	\$ 43,011
Total governmental fund balances	\$ 33,803	\$ 33,207	\$ 40,703	\$ 45,072	\$ 47,177	\$ 38,462	\$ 63,763	\$ 53,383	\$ 51,243	\$ 54,623

Fund Balances of Governmental Funds
 (amounts expressed in thousands)



SCHEDULE 4 - CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Accrual basis of accounting
 (Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes & special assessments	\$ 34,827	\$ 34,786	\$ 40,014	\$ 41,156	\$ 41,931	\$ 43,077	\$ 44,279	\$ 45,354	\$ 49,145	\$ 53,770
Licenses & permits	1,680	1,805	1,743	2,135	2,393	2,762	2,797	2,888	2,725	4,159
Intergovernmental	5,242	6,288	5,043	4,920	4,904	5,590	6,089	5,818	9,445	11,275
Administrative fees	4,693	4,188	3,901	3,913	-	-	-	-	-	-
Charges for services	3,641	3,754	4,316	4,402	4,624	4,882	3,111	3,664	5,594	5,520
Fines & forfeitures	1,929	1,739	1,489	1,478	1,482	1,366	1,283	1,163	1,143	1,157
Impact fees	1,327	1,262	1,317	1,868	2,641	2,686	3,479	4,916	3,207	5,556
Miscellaneous	985	498	774	538	99	238	821	827	716	1,371
Investment Income	167	207	228	232	204	307	612	949	1,454	1,012
Total revenues	54,491	54,527	58,825	60,642	58,278	60,908	62,471	65,579	73,429	83,820
Expenditures										
General government	8,813	8,784	9,295	10,210	8,489	9,086	7,789	8,208	9,200	10,778
Community development	3,408	3,151	2,653	3,925	3,095	2,714	3,523	4,120	4,333	5,211
Public safety	22,376	21,779	23,345	24,143	26,155	28,397	28,671	29,753	31,652	32,771
Highways & public improvements	5,094	4,892	5,292	5,356	4,897	5,739	4,943	5,409	11,306	10,814
Parks, recreation and culture	2,728	2,031	2,374	2,910	3,088	2,744	3,682	3,710	4,285	4,492
Capital outlay	5,373	6,074	5,883	16,094	12,237	16,646	12,620	40,473	10,246	13,829
Debt service										
Principal	4,088	7,790	2,451	10,851	2,657	3,218	2,738	2,424	3,230	5,600
Interest	1,329	1,059	813	792	550	584	1,080	1,579	1,494	1,471
Total expenditures	53,209	55,560	52,106	74,281	61,168	69,128	65,046	95,676	75,746	84,966
Excess of revenues over (under) expenditures	1,282	(1,033)	6,719	(13,639)	(2,890)	(8,220)	(2,575)	(30,097)	(2,317)	(1,146)
Other financing sources (uses)										
Issuance of debt	-	3,290	-	10,595	6,530	-	27,275	-	-	4,500
State funding	-	-	-	9,900	-	-	-	-	-	-
Capital lease financing	-	-	-	-	135	-	-	-	-	-
Developer contributions	-	-	-	683	-	-	-	-	-	-
Sales of capital assets	747	-	-	-	165	5	-	19,718	177	26
Transfers in	4,784	5,191	6,206	11,684	11,587	3,032	4,784	11,549	8,402	7,797
Transfers out	(5,070)	(4,539)	(5,429)	(14,854)	(13,587)	(3,032)	(4,839)	(11,549)	(8,402)	(7,797)
Total other financing sources (uses)	461	3,942	777	18,008	4,830	5	27,220	19,718	177	4,526
Net change in fund balances	\$ 1,743	\$ 2,909	\$ 7,496	\$ 4,369	\$ 1,940	\$ (8,215)	\$ 24,645	\$ (10,379)	\$ (2,140)	\$ 3,380
Debt service as a % of noncapital expenditures	11.32%	17.88%	7.06%	20.01%	6.55%	7.24%	7.28%	7.25%	7.21%	9.94%

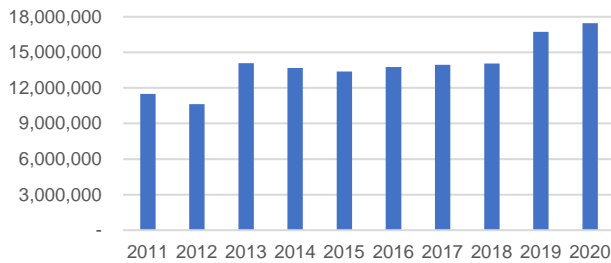
SCHEDULE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years

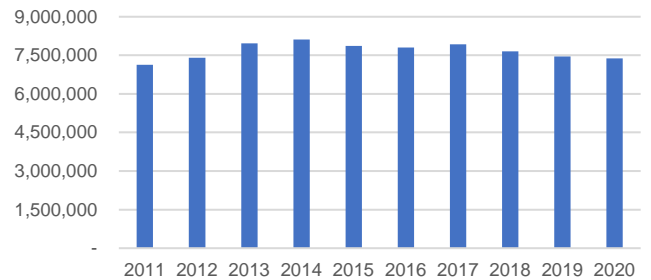
Accrual basis of accounting

Fiscal Year	Property Tax	Fees-in-lieu of property tax	Tax Increment	Sales Tax	Franchise Tax	Total
2011	\$ 10,494,095	\$ 992,661	\$ 2,651,201	\$ 13,559,906	\$ 7,129,083	\$ 34,826,946
2012	9,811,737	814,006	2,282,629	14,467,761	7,409,499	34,785,632
2013	12,949,847	1,143,559	2,794,439	15,161,672	7,964,188	40,013,705
2014	12,668,980	999,394	3,398,395	15,976,144	8,112,830	41,155,743
2015	12,378,578	1,010,266	3,824,806	16,845,871	7,871,219	41,930,740
2016	12,735,526	1,012,652	4,136,309	17,371,482	7,805,966	43,061,935
2017	12,912,284	1,033,792	3,780,491	18,583,140	7,931,649	44,241,356
2018	13,008,717	1,048,335	3,722,099	19,922,143	7,651,704	45,352,998
2019	15,523,672	1,209,212	4,021,956	20,933,636	7,456,661	49,145,137
2020	16,324,555	1,133,977	4,262,252	24,666,933	7,382,471	53,770,188

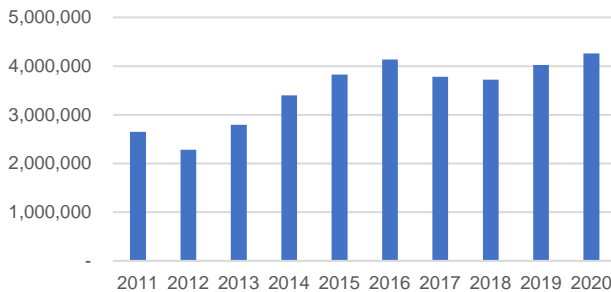
Property Tax & Fee-in-lieu



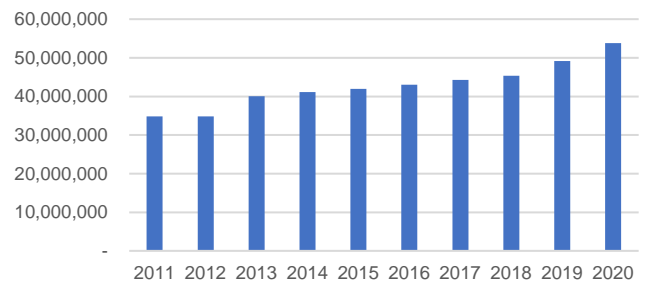
Franchise Tax



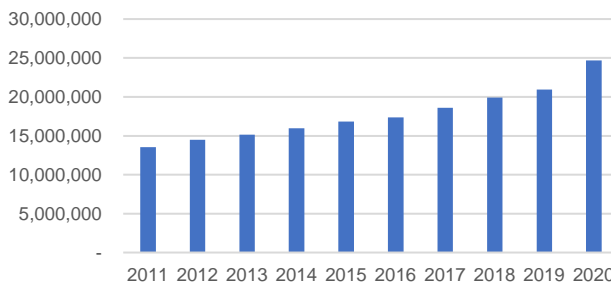
Tax Increment



Total Tax Revenues Governmental Activities



Sales Tax*





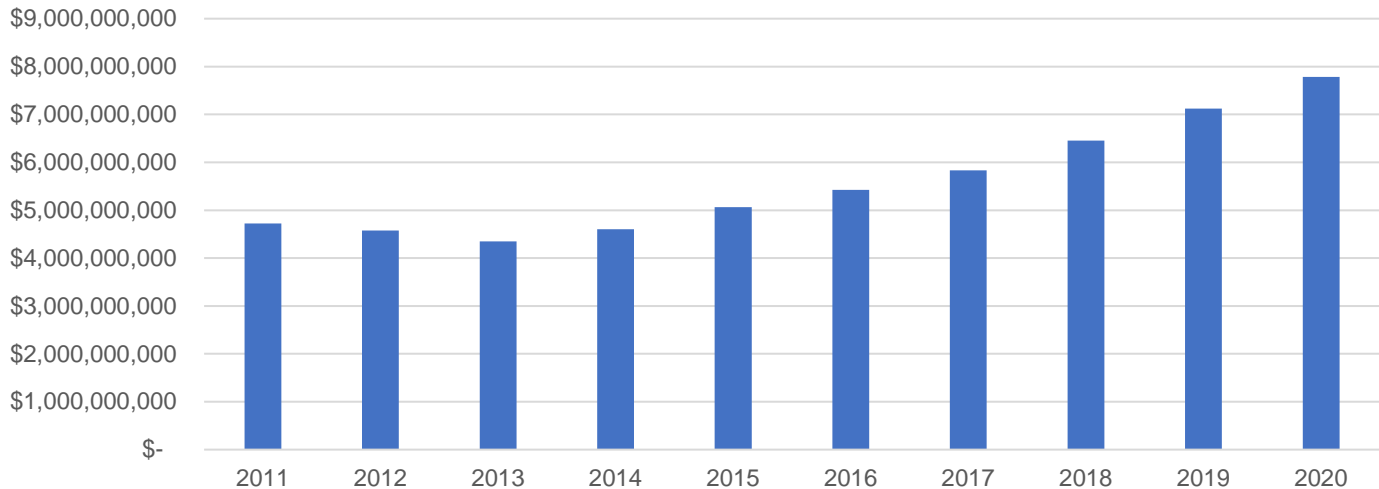
**SCHEDULE 6 - ASSESSED VALUE AND ESTIMATED ACCRUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years**

Fiscal Year	Primary Residential Property	Other Property	Less: Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2011	\$ 3,148,488,044	\$ 1,996,323,713	\$ (418,757,605)	\$ 4,726,054,152	0.002128	\$ 7,720,847,429	61.21%
2012	3,119,933,190	1,936,404,242	(477,598,888)	4,578,738,544	0.002069	7,609,010,042	60.18%
2013	3,015,103,177	1,938,017,434	(607,104,064)	4,346,016,547	0.002674	7,420,023,210	58.57%
2014	2,844,974,289	1,965,996,252	(208,866,727)	4,602,103,814	0.002562	7,138,676,777	64.47%
2015	3,048,600,250	2,075,413,401	(62,854,709)	5,061,158,942	0.002368	7,618,322,946	66.43%
2016	3,361,903,767	2,191,420,614	(130,127,755)	5,423,196,626	0.002251	8,303,972,918	65.31%
2017	3,595,378,140	2,345,525,635	(109,931,962)	5,830,971,813	0.002139	8,882,576,799	65.65%
2018	3,857,227,834	2,451,495,056	142,873,074	6,451,595,964	0.001975	9,464,636,572	68.17%
2019	4,333,004,243	2,603,320,833	182,577,025	7,118,902,101	0.002132	10,481,510,366	67.92%
2020	4,815,118,214	2,825,449,487	141,921,180	7,782,488,881	0.001999	11,580,209,876	67.21%

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

Source: Utah State Tax Commission – Property Tax Division (www.taxrates.utah.gov)

Total Taxable Assessed Value





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
2011	\$ 10,028,293	\$ 10,091,756	100.63%	\$ 271,188	\$ 10,362,944	103.34%
2012	9,483,457	9,533,958	100.53%	253,939	9,787,897	103.21%
2013	11,631,147	12,321,900	105.94%	271,985	12,593,885	108.28%
2014	11,800,713	12,671,927	107.38%	261,390	12,933,317	109.60%
2015	11,993,512	12,919,871	107.72%	228,371	13,148,242	109.63%
2016	12,215,009	12,459,849	102.00%	199,176	12,659,025	103.64%
2017	12,480,066	12,635,099	101.24%	180,493	12,815,592	102.69%
2018	12,749,435	12,802,407	100.42%	145,434	12,947,841	101.56%
2019	15,185,183	15,311,700	100.83%	60,589	15,372,289	101.23%
2020	15,564,849	16,111,950	103.51%	96,286	16,208,236	104.13%

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

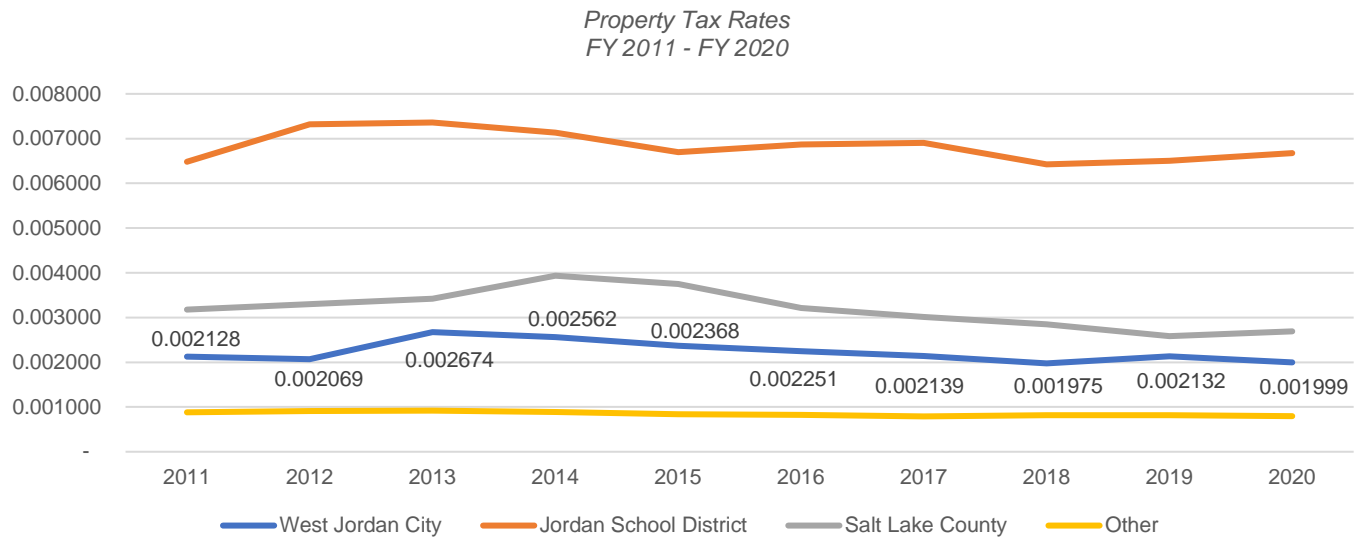
Source: Salt Lake County Treasurer

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

Fiscal Year	Direct City Rates			Overlapping Rates			
	Operations	Debt Service	Total City Direct Rate	Jordan School District	Salt Lake County	Other	Total
2011	0.001953	0.000175	0.002128	0.006485	0.003176	0.000881	0.012670
2012	0.002003	0.000066	0.002069	0.007319	0.003300	0.000912	0.013600
2013	0.002481	0.000193	0.002674	0.007360	0.003420	0.000919	0.014373
2014	0.002384	0.000178	0.002562	0.007132	0.003935	0.000891	0.014520
2015	0.002218	0.000150	0.002368	0.006700	0.003751	0.000841	0.013660
2016	0.002111	0.000140	0.002251	0.006872	0.003214	0.000824	0.013161
2017	0.002009	0.000130	0.002139	0.006906	0.003010	0.000790	0.012845
2018	0.001857	0.000118	0.001975	0.006424	0.002850	0.000817	0.012066
2019	0.002025	0.000107	0.002132	0.006501	0.002584	0.000815	0.012032
2020	0.001901	0.000098	0.001999	0.006676	0.002694	0.000797	0.012166

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	2020			2011		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Plaza at Jordan Landing LLC	\$ 139,183,200	1	1.8%	\$ 108,358,000	1	2.3%
Lonestar SLC I, LLC	81,416,400	2	1.0%		N/A	
MPT of West Jordan-Steward Property, LLC ¹	74,900,200	3	1.0%	29,515,600	3	0.6%
Oracle America Inc	64,798,600	4	0.8%		N/A	
Mountain America Credit Union	58,855,600	5	0.8%	27,965,500	4	0.6%
The Boeing Company ¹	52,306,800	6	0.7%	41,775,100	2	0.9%
Willowcove International LLC	52,199,125	7	0.7%	23,628,550	5	0.5%
Sysco Intermountain Food Services Inc	34,647,400	8	0.4%	16,899,000	9	0.4%
CH Novi Communities LLC	34,348,545	9	0.4%		N/A	
Serengeti Springs LTD ¹	33,773,795	10	0.4%	20,111,800	6	0.4%
Campus View LLC				18,121,300	7	0.4%
Wal-Mart Stores Inc				17,452,500	8	0.4%
Pabco Building Prod LLC (BMC West)				15,518,584	10	0.3%
	<u>\$ 626,429,665</u>		<u>8.0%</u>	<u>\$ 319,345,934</u>		<u>6.8%</u>

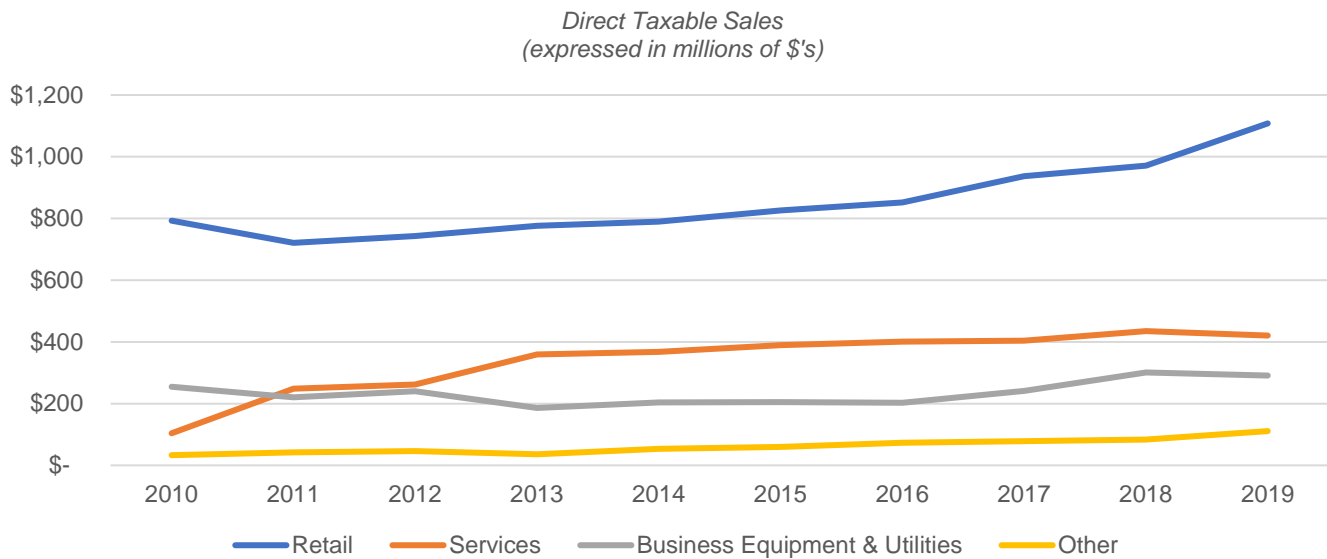
Note: ¹ Current taxpayer listed, 2011 comparison based on exact same property but different taxpayer.

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
2010	\$ 793,464,695	\$ 103,958,444	\$ 254,839,010	\$ 32,502,668	\$ 1,184,764,817	1.00%
2011	721,045,458	247,509,130	221,084,342	41,939,927	1,231,578,857	1.00%
2012	742,836,960	262,226,673	239,780,736	45,668,906	1,290,513,275	1.00%
2013	775,684,054	359,063,551	185,857,212	36,431,721	1,357,036,538	1.00%
2014	789,609,154	367,672,604	204,421,596	53,965,617	1,415,668,971	1.00%
2015	826,025,346	390,211,536	205,074,080	59,512,570	1,480,823,532	1.00%
2016	851,709,139	400,680,330	202,872,948	73,223,845	1,528,486,262	1.00%
2017	937,150,637	403,755,345	241,144,821	78,179,700	1,660,230,503	1.00%
2018	971,183,292	434,554,528	300,676,126	84,475,116	1,790,889,062	1.00%
2019	1,107,997,053	421,380,573	291,341,880	110,977,812	1,931,697,318	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	
2011	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%
2013	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%
2015	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2016	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2017	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2018	1.00%	4.70%	0.75%	0.55%	0.10%	7.10%
2019	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2020	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%

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

Source: Utah State Tax Commission



SCHEDULE 12 – PRINCIPAL SALES TAXPAYERS
Last Ten Fiscal Years

Taxpayer	2020			2011		
	Sales Tax ¹	Rank	Percentage of Total Sales Tax	Sales Tax ¹	Rank	Percentage of Total Sales Tax
Smiths	N/A	1	N/A	N/A	2	N/A
Wal-Mart	N/A	2	N/A	N/A	1	N/A
BMC West	N/A	3	N/A	N/A	N/A	N/A
Amazon.com	N/A	4	N/A	N/A	N/A	N/A
Sam's Club	N/A	5	N/A	N/A	3	N/A
The Home Depot	N/A	6	N/A	N/A	9	N/A
Rocky Mountain Power	N/A	7	N/A	N/A	5	N/A
Sysco Foods	N/A	8	N/A	N/A	6	N/A
Target	N/A	9	N/A	N/A	4	N/A
Lowe's	N/A	10	N/A	N/A	7	N/A
Best Buy	N/A	16	N/A	N/A	10	N/A
Dominion Energy (Questar)	N/A	15	N/A	N/A	8	N/A
Total	\$ 7,757,236		31.45%	\$ 4,268,655		31.48%

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					Business-type Activities		Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Contracts Payable	Unamortized Premiums (Discounts)	Revenue Bonds	Total Primary Government		
2011	\$ 8,685,000	\$ 14,627,000	\$ 778,951	\$ 2,215,000	\$ (406,582)	\$ 2,530,000	\$ 28,429,369	0.73%	\$ 267
2012	8,210,000	11,747,000	1,617,873	1,850,000	(353,428)	1,710,000	24,781,445	0.60%	232
2013	7,700,000	10,207,000	1,480,783	1,480,000	126,039	1,030,000	22,023,822	0.50%	204
2014	7,260,000	10,548,000	2,105,811	1,355,000	(38,093)	6,380,000	27,610,718	0.61%	255
2015	6,665,000	15,283,000	2,239,565	725,000	(31,825)	5,730,000	30,610,740	0.64%	278
2016	6,045,000	12,888,000	2,769,019	590,000	(25,556)	11,590,000	33,856,463	0.65%	304
2017	5,420,000	35,926,000	2,070,123	450,000	2,234,678	10,330,000	56,430,801	1.04%	496
2018	4,785,000	34,316,000	4,551,005	305,000	2,140,286	18,110,000	64,207,291	1.14%	564
2019	4,140,000	31,881,000	3,850,018	155,000	1,648,843	15,855,000	57,529,861	0.96%	496
2020	3,485,000	29,341,000	3,546,681	2,250,000	1,417,203	13,555,000	53,594,884	0.87%	460

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	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Per capita
2011	\$ 8,685,000	\$ 4,726,054,152	0.18%	106,286	\$ 82
2012	8,210,000	4,578,738,544	0.18%	106,954	77
2013	7,700,000	4,346,016,547	0.18%	108,062	71
2014	7,260,000	4,602,103,814	0.16%	108,362	67
2015	6,665,000	5,061,158,942	0.13%	110,171	60
2016	6,045,000	5,423,196,626	0.11%	111,273	54
2017	5,420,000	5,830,971,813	0.09%	113,699	48
2018	4,785,000	6,451,595,964	0.07%	113,921	42
2019	4,140,000	7,118,902,101	0.06%	116,046	36
2020	3,485,000	7,782,488,881	0.04%	116,480	30



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

Governmental Unit Taxing Entity	2019 Taxable Value	West Jordan City's Portion of Taxable Value	City's Percentage	Debt Outstanding	City's Portion of Overlapping Debt
Overlapping (General obligation debt):					
Salt Lake County ¹	\$ 119,935,448,719	\$ 7,782,488,881	6.5%	\$ 190,233,893	\$ 12,344,083
Central Utah Water Conservancy District ²	106,597,919,096	7,782,488,881	7.3%	208,376,817	15,213,151
Jordan School District ³	24,214,681,138	7,782,488,881	32.1%	188,195,000	60,485,021
Total overlapping debt					<u>88,042,255</u>
Direct:					
General Obligation Bonds					3,485,000
Revenue Bonds					29,341,000
Capital Leases					3,546,681
Contracts Payable					2,250,000
Unamortized Premiums (Discounts)					1,417,203
Total direct debt					<u>40,039,884</u>
Total direct and overlapping debt					<u>\$ 128,082,139</u>

Notes: Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into consideration.

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

The State of Utah's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

Source: ¹ Salt Lake County Comprehensive Annual Financial Report for year ended June 30, 2019
² Central Utah Water Conservancy District Annual Financial Report for year ended June 30, 2019
³ Jordan School District Annual Financial Report for year ended June 30, 2019



SCHEDULE 16 – LEGAL DEBT MARGIN

Last Ten Fiscal Years

(Amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit										
General										
(4% Fair Cash Value)	\$ 308,834	\$ 304,360	\$ 296,801	\$ 285,547	\$ 304,733	\$ 332,159	\$ 355,303	\$ 378,585	\$ 419,260	\$ 463,208
Water and Sewer										
(4% Fair Cash Value)	308,834	304,360	296,801	285,547	304,733	332,159	355,303	378,585	419,260	463,208
Total 8% Debt Limit	617,668	608,721	593,602	571,094	609,466	664,318	710,606	757,171	838,521	926,416
Total Net Debt										
Applicable to Limit	8,685	8,210	7,700	7,260	6,665	6,045	5,420	4,785	4,140	3,485
Legal Debt Margin	\$ 608,983	\$ 600,511	\$ 585,902	\$ 563,834	\$ 602,801	\$ 658,273	\$ 705,186	\$ 752,386	\$ 834,381	\$ 922,931
Total Net Debt Applicable to the Limit as a % of Debt Limit	1.41%	1.35%	1.30%	1.27%	1.09%	0.91%	0.76%	0.63%	0.49%	0.38%

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

Sales Tax Revenue Bonds

Fiscal Year	Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2011	\$ 13,559,906	\$ 1,635,000	\$ 184,800	7.45
2012	15,161,672	1,725,000	94,875	8.33
2013	14,467,761	-	-	N/A
2014	15,976,144	-	24,396	N/A
2015	16,845,871	310,000	72,822	44.00
2016	17,371,482	905,000	193,546	15.81
2017	18,583,140	920,000	174,154	16.98
2018	19,922,143	945,000	140,716	18.35
2019	20,933,636	960,000	125,561	19.28
2020	24,666,933	980,000	106,100	22.71

Tax Increment

Fiscal Year	Tax Increment Revenue	Debt Service		Coverage
		Principal	Interest	
2011	\$ 2,651,201	\$ 790,000	\$ 289,315	2.46
2012	2,794,439	770,000	249,341	2.74
2013	2,282,629	735,000	209,686	2.42
2014	3,398,395	690,000	171,466	3.94
2015	3,824,806	655,000	135,103	4.84
2016	4,136,309	650,000	100,388	5.51
2017	3,780,491	700,000	65,938	4.94
2018	3,722,099	665,000	146,030	4.59
2019	4,021,956	755,000	114,410	4.63
2020	4,262,252	815,000	80,812	4.76

HUD Contract Payable

Fiscal Year	Community Development Block Grant Revenue	Debt Service		Coverage
		Principal	Interest	
2011	\$ 613,096	\$ 110,000	\$ 98,865	2.94
2012	496,435	115,000	26,078	3.52
2013	647,419	120,000	25,240	4.46
2014	514,068	125,000	23,886	3.45
2015	500,955	130,000	21,879	3.30
2016	455,691	135,000	19,224	2.95
2017	684,322	140,000	15,877	4.39
2018	553,442	145,000	11,905	3.53
2019	496,699	150,000	7,455	3.15
2020	554,676	155,000	2,557	3.52

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

Fiscal Year	Water Revenue Bonds					
	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 13,678,673	\$ 10,425,154	\$ 3,253,519	\$ 1,035,000	\$ 68,819	2.95
2012	15,822,089	11,362,423	4,459,666	820,000	66,057	5.03
2013	16,172,170	11,593,674	4,578,496	680,000	41,576	6.35
2014	17,001,425	12,816,500	4,184,925	695,000	93,949	5.30
2015	16,965,634	13,657,873	3,307,761	650,000	140,542	4.18
2016	16,955,828	14,965,284	1,990,544	665,000	126,060	2.52
2017	18,291,855	17,402,966	888,889	675,000	111,430	1.13
2018	20,800,973	16,650,766	4,150,207	1,635,000	279,536	2.17
2019	23,551,811	18,375,750	5,176,061	1,630,000	285,700	2.70
2020	30,013,903	19,029,092	10,984,811	1,665,000	249,380	5.74

Fiscal Year	Storm Drain Revenue Bonds					
	Utility Revenues ¹	Less Utility Expenses ²	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	N/A	N/A	N/A	-	-	N/A
2012	N/A	N/A	N/A	-	-	N/A
2013	N/A	N/A	N/A	-	-	N/A
2014	N/A	N/A	N/A	-	-	N/A
2015	N/A	N/A	N/A	-	-	N/A
2016	N/A	N/A	N/A	-	-	N/A
2017	\$ 4,750,119	\$ 1,584,739	\$ 3,165,380	\$ 585,000	\$ 138,176	4.38
2018	4,359,885	2,138,785	2,221,100	610,000	114,642	3.07
2019	4,975,069	2,759,368	2,215,701	625,000	102,869	3.04
2020	7,514,878	2,680,387	4,834,491	635,000	90,806	6.66

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
2011	106,286	\$ 3,877,313,280	\$ 36,480	7.7%
2012	106,954	4,154,200,314	38,841	6.6%
2013	108,062	4,448,048,044	41,162	5.3%
2014	108,362	4,521,296,088	41,724	4.4%
2015	110,171	4,809,294,663	43,653	3.7%
2016	111,273	5,168,964,669	46,453	3.4%
2017	113,699	5,450,388,963	47,937	3.2%
2018	113,921	5,632,823,845	49,445	3.1%
2019	116,046	5,984,608,266	51,571	3.0%
2020	116,480	6,131,390,720	52,639	6.0%

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

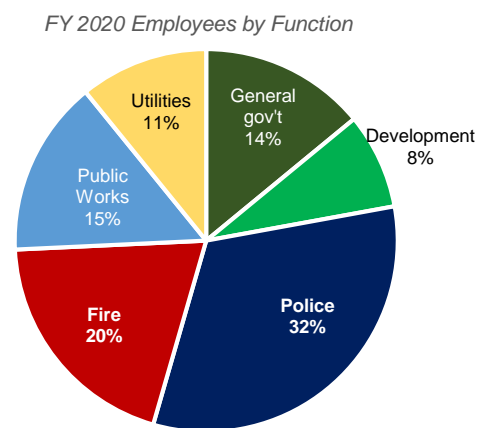
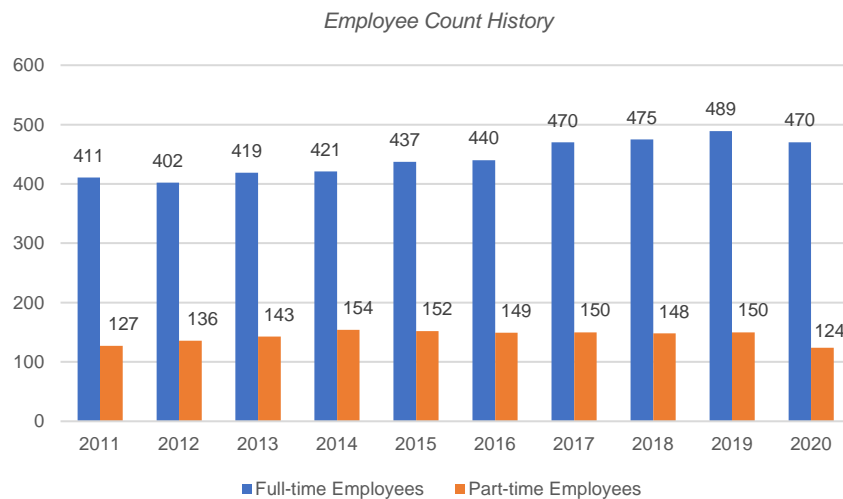
	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jordan School District	3,591	1	6.45%	3,086	1	9.36%
Smith's Food and Drug	779	2	1.40%	364	9	1.10%
Jordan Valley Medical Center	767	3	1.38%	625	2	1.90%
Snugz USA Inc	580	4	1.04%			
West Jordan City	501	5	0.90%	536	5	1.63%
Sysco Intermountain Food Services	443	6	0.80%	436	6	1.32%
SME Industries	375	7	0.67%	375	8	1.14%
Wal-Mart	372	8	0.67%	581	3	1.76%
Mountain America Credit Union	300	9	0.54%	380	7	1.15%
Dunford's	266	10	0.48%			
Fairchild Sem-conductor				575	4	1.74%
Target				252	10	0.76%
	<u>7,974</u>		<u>14.33%</u>	<u>7,210</u>		<u>21.86%</u>

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

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

Function/Program	Employees as of June 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	57	58	66	68	72	73	66	67	67	65
Community development	27	24	21	21	23	25	38	39	39	38
Public safety										
Police	143	141	148	147	146	146	152	152	157	152
Fire	86	85	85	85	85	85	86	86	95	93
Highways & public improvements	42	41	43	46	48	48	55	55	55	45
Parks, recreation and culture	15	15	16	15	16	16	17	17	17	16
Fleet management	9	7	7	6	8	8	8	8	8	9
Risk management	0	0	0	0	0	0	0	0	0	1
Water	18	18	18	18	20	20	19	19	19	19
Sewer	11	10	10	10	12	12	12	15	15	15
Solid Waste	1	1	1	1	1	1	2	2	2	2
Storm Water	2	2	4	4	6	6	15	15	15	15
Total full-time equivalent employees	411	402	419	421	437	440	470	475	489	470
Part-time and/or seasonal employees	127	136	143	154	152	149	150	148	150	124
Total Employees	538	538	562	575	589	589	620	623	639	594

Source: West Jordan Adopted Budgets





SCHEDULE 22 – OPERATING INDICATORS
Last Ten Fiscal Year

<u>Function/Program</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Community development										
Residential building permits issued	611	682	727	809	965	1,406	2,003	1,644	1,490	1,859
Commercial building permits issued	188	211	186	197	229	226	237	277	298	208
Police										
Calls for service	66,820	62,414	61,501	60,017	64,291	64,019	60,645	57,662	59,048	61,632
Arrests	3,654	3,514	3,042	2,981	2,900	3,677	2,846	2,474	2,846	3,068
Violations cited	14,610	13,170	11,113	12,144	13,868	15,165	13,797	13,348	14,000	13,581
Fire										
Medical responses	3,562	3,792	3,798	3,902	4,341	4,191	4,950	5,523	5,317	4,777
Fire responses	1,233	1,218	1,879	1,760	1,934	1,059	1,280	1,434	1,939	1,380
Water										
Customers Residential	20,072	20,315	20,545	20,761	21,055	21,544	21,679	22,050	22,490	22,840
Customers Commercial	1,549	1,569	1,567	1,605	1,657	1,664	1,749	1,755	1,783	1,844
Average daily consumption (in millions of gallons)	16.33	19.55	18.35	18.54	18.49	20.15	19.82	20.78	19.47	19.62
Sewer										
Sewer line miles inspected	39	22	18	20	13	23	27	33	46	89
Sewer line miles cleaned	124	93	83	87	88	111	94	90	50	110

SCHEDULE 23 – CAPITAL ASSETS
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Patrol units ¹	77	77	77	77	49	29	13	13	12	12
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	5	5	5	5	5	6	6	5	5
Public works										
Streets (miles)	316	329	329	334	336	339	343	353	355	366
Parks & recreation										
Acreage	331	336	338	348	354	354	342	347	353	353
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	13
Soccer fields	20	20	20	20	20	20	20	18	18	19
Water										
Storage capacity (millions of gallons)	30.5	30.5	30.5	30.5	37.5	37.5	37.5	37.5	41.5	44.5

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.

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



View of the Wasatch Front and West Jordan City