



SOUTH JORDAN
U T A H



South Jordan City

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2008

CITY OF SOUTH JORDAN
STATE OF UTAH

Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

Prepared by:
City of South Jordan, Division of Finance

NaDeen Borup
Stephanie Carter
Leah Hardy
Amy Harrington
Dean Lundell
Sunil K. Naidu
Dao Quach
Van Tran

CITY OF SOUTH JORDAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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Introductory Section



SOUTH JORDAN

W. Kent Money, *Mayor*
Brian Butters, *Council Member*
Kathie L. Johnson, *Council Member*
Larry Short, *Council Member*
Aleta Taylor, *Council Member*
Leona Winger, *Council Member*

John H. Geilmann, *City Manager*



PH: 801.254.3742 EMAIL: info@sjc.utah.gov FAX: 801.254.3393

December 20, 2008
The Honorable Mayor and
Members of the City Council
South Jordan City, Utah

Re: Finance Officer's transmittal letter and report on financial statements.

The Comprehensive Annual Financial Report (CAFR) of the City of South Jordan (the City) for the fiscal year ended June 30, 2008, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City issue a report on its financial position and activity, and this report be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

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

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

The financial reporting entity (the City) includes all of the funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the South Jordan Redevelopment Agency and South Jordan Municipal Building Authority are reported in this CAFR as a special revenue fund and a debt service fund, respectively.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Governmental Structure

Under the city manager form of government, by ordinance, legislative powers are vested in a governing body, consisting of a Mayor and five members of a City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The Council Members are elected by district and serve staggered four-year terms. They are assisted by a City Manager who is responsible for establishing and implementing City policies, carrying out the ordinances of the City Council, and overseeing the day-to-day operations of the government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates water distribution and waste collection as enterprise funds.

Economic Condition and Outlook

The City of South Jordan, incorporated in 1935, is located in the southern part of the Salt Lake Valley. The City is a rapidly growing suburban community encompassing 21.8 square miles. The City's population is approximately 51,405 as of June 30, 2008. South Jordan's population has increased 75% since the year 2000. We anticipate the population in South Jordan will continue to increase at a rapid rate.

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

The City is evaluating the effects of the nationwide economic slowdown and how it will affect future years' budgets. Economic growth is still occurring in the City, which is illustrated by the 11% increase in sales tax revenue during FY 2007-2008. However, current-year tax revenues are falling short of projections, and the City will need to adjust current and future years' budgets to reflect these reduced revenues. Revenues related to development have slowed significantly during the last half of FY 2007-2008 and have continued into this year. The impact in this reduction of development revenues will result in the postponing of several capital projects within the City.

MAJOR INITIATIVES

Long-Term Financial Plan. In accordance with the City's *Key Management Practices*, The City of South Jordan has put great effort into the development of a long-term financial plan, which will address the long-term needs of the City. The objective of this plan is to provide a road map, to assist the City's transition from its current stage of high growth to its eventual status as a more fully developed City. The overriding theme of this plan is sustainability.

The plan was put together by the Mayor and City Council, City management, and the City's finance department. The plan makes projections of tax revenues, capital expenditures, and debt service for the next twenty years. However, this plan goes farther than simply projecting revenues and expenditures. Targets have been set for what levels of property tax, sales tax, and other revenues will be necessary for long-term stability. We are also analyzing the City's current land use and zoning issues to evaluate the credibility of our assumptions. We believe this plan will be a valuable tool for us in the areas of budgeting and strategic planning.

Capital Projects. The City's Staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensuring that the citizens of South Jordan are able to live and work in a desirable environment. During FY 2007-08, the City had several significant projects. Some of these projects are listed below:

1. **Culinary Water System.** The City is currently working on a multi-year project to make improvements and add capacity to the City's culinary water system. In order to fund these improvements, the City is using a combination of debt, water rates, and impact fees.
2. **Municipal Services Building.** The City recently completed construction of a 53,000 sq ft Municipal Services building. The new building will house the City's Water, Sanitation, Storm Drain, Fleet and a portion of the City's Parks department
3. **Animal Control Building.** Construction was also completed on a state of the art animal control facility. The building will cost approximately \$1.5 million to construct and opened during spring of 2008.
4. **10400 South Improvements.** Utah Department of Transportation(UDOT) is currently making major improvements to increase capacity of this road through the City. In coordination with UDOT, the City will be making upgrades and increasing capacity of City-owned utility assets.

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

The South Jordan Redevelopment Agency was established for the purpose of encouraging new development within the City. The Agency currently has ten redevelopment areas (RDA's). These areas have been successful in assisting several new office and retail establishments within the RDA boundaries.

One of the largest RDA's is the "District". This area has 1.2 million square feet of retail space. Current tenants include Target, JC Penney, LHM Megaplex 20, Famous Footwear, and Hobby Lobby. The success of this development demonstrates the City's dedication to the establishment of long-term, sustained economic growth. The City will continue to encourage development through the use of redevelopment areas.

FINANCIAL INFORMATION

South Jordan's financial statements reflect the rapid growth of the City. The balance in the City's General Fund increased by \$621,697 during the fiscal year, to end with a balance of \$5,207,584. This amount represents an increase of \$1,410,632 from five years ago. During the same five-year period, the City's governmental funds revenues increased from \$22,525,207 to \$41,110,394, and expenditures increased from \$39,180,265 to \$46,938,381. Growth in proprietary funds has increased during this period as well. Proprietary fund revenues increased from \$6,738,145 to \$17,188,218 since fiscal year 2003, while operating expenses rose from \$13,177,754. Part of the reason for the large growth from 2003 to 2008 is the addition of the Mulligan's fund in 2005.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place and to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations. The audit for the fiscal year ended June 30, 2008, disclosed no material internal control weaknesses or material violations of laws and regulations.

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

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

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

Cash Management

The City Treasurer focuses on safety, liquidity and yield of investments. The highest priority of cash management and investments is to ensure adequate funds are available to meet City obligations and that all investments are in safe instruments. Yield, while important, is considered third priority after safety and liquidity. All City funds are invested in accordance with the guidelines established by the Utah Money Management Act and in institutions authorized by the Utah Money Management Council.

Risk Management

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to reasonably minimize losses and the cost of carrying insurance. Under the direction of the City's Risk Manager, control techniques have been established to provide reasonable assurance that City employees are aware of their responsibilities regarding loss exposures related to their duties.

In a similar manner, risk control techniques have been established to reduce possible losses to property owned, or under the control of the City. The City submits to an annual audit by Utah Risk Management Mutual Association (URMMA), the City's liability insurer. The results from the most recent audit showed South Jordan as the highest rated city of the 25 cities evaluated.

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of South Jordan for its CAFR, for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial report.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the past 22 years. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

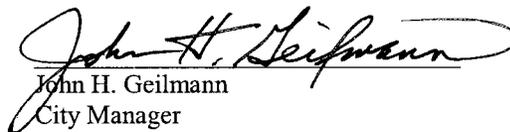
We would like to thank Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

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

Respectfully submitted,



Dean Lundell
Finance Director



John H. Geilmann
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Jordan
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Clare S. Cox

President

Jeffrey R. Emery

Executive Director

South Jordan Citizens

Elect

Mayor and City Council

Boards/Committees
*Senior Citizens Committee
*Historical Committee
*Gale History Center
*Public Art & Cultural Development Board
*Ad/Hoc as Determined

Boards/Commissions
*Planning Commission
*Board of Adjustments
*Architectural Review Committee
*Judge

Council Appoints

City Manager

City Manager Appoints

ACM/City Attorney

ACM/Municipal Services

ACM/Administrative Services

CITY OF SOUTH JORDAN
List of Elected and Appointed Officials

Elected Officials

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

William Kent Money
Brian C. Butters
Kathie L. Johnson
Larry Short
Aleta Taylor
Leona Winger

Appointed Officials

City Manager
Assistant City Manager
Assistant City Manager
Assistant City Manager
Municipal Court Judge
City Treasurer

John H. Geilmann
Laurie Johnson
I. Robert Wall
Gary L. Whatcott
Clinton E. Balmforth
Sunil K. Naidu

Financial Section



SOUTH JORDAN

Auditor's Report



SOUTH JORDAN

GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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

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

INDEPENDENT AUDITOR'S REPORT

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

December 19, 2008

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 South Jordan, Utah (City) as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

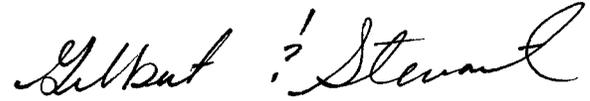
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2008 on our consideration of the City of South Jordan's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and required supplementary information as listed in the table of contents is not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Jordan's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, impact fee analysis, capital asset schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements, budgetary comparison schedules, impact fee analysis, and capital assets schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, reading "Gilbert & Stewart".

GILBERT & STEWART
Certified Public Accountants

CITY OF SOUTH JORDAN, UTAH MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Jordan, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 2 of this report.

FINANCIAL HIGHLIGHTS

- The total net assets of the City of South Jordan increased 12.55% to \$272,716,464. Most of the increase in net assets is due to increases to the City's capital infrastructure assets, which primarily come from contributed capital.
- As of June 30, 2008, the City's governmental funds reported a combined fund balance of \$21,124,061. This represents a 15.14% decrease from the previous year.
- The City's General Fund balance as of June 30, 2008, is \$5,207,584. This is an increase of \$621,694 from last year's balance of \$4,585,890. Utah State Law allows that any balance in excess of 5% of the total estimated revenues may be utilized for budget purposes. The maximum fund balance allowed is 18% of estimated revenues. The City's General Fund balance is at the maximum level of 18%.
- Despite the slowing economy, South Jordan's sales tax base continues to grow. The City's revenue from sales tax increased 10.69% from a 2007 level of \$6,481,322 to \$7,174,379. However, housing starts have decreased significantly, which may have a substantial impact on future general fund budgets
- The City received a total of \$24,322,002 in capital grants and contributions. These contributions consisted primarily of infrastructure assets, which were built by developers and then donated to the City.
- To take advantage of lower interest rates, the City issued \$5,770,000 in Special Assessment bonds during fiscal year 2008. These bonds refinanced the series 2002 Special Assessment bonds.

REPORT OVERVIEW

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 27-29 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following fifteen individual governmental funds:

- General
- Debt Service

- Redevelopment Agency
- Municipal Building Authority
- Construction
- Street Lighting
- Storm Drain
- Recreation
- Recreation Center
- Community Development Block Grant
- Historical Preservation
- Parkway Care
- Glenmoor
- Risk Management
- Cemetery
- Public Arts

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, Debt Service, Redevelopment Agency, Municipal Building Authority, and Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 31-33 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, which is an enterprise fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. 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 Water, Sanitation and Mulligans. These funds are all considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 36-38 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 40 of this report.

Required Supplementary Information (RSI) – This section contains budget to actual statements for the City’s General Fund as well as its only major special revenue fund, which is the Redevelopment Agency Fund. The RSI section begins on page 71.

Other Information – In addition to the above mentioned statements and reports, this report also presents other supplementary information and a statistical section which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City’s nonmajor funds as well as budget to actual statements for major funds not reported as RSI. The supplemental section also shows collections and budgeted expenditures for

the City's impact fee revenues. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 77, and the statistical section begins on page 105.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of South Jordan, assets exceeded liabilities by \$272,716,464 as of June 30, 2008.

By far the largest portion of the City's net assets (82.65%) reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table summarizes the City's Net Assets.

CITY OF SOUTH JORDAN'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
	Current and other assets	\$ 44,106,223	\$ 45,346,953	\$ 20,193,151	\$ 21,559,344	\$ 64,299,374
Capital assets	195,032,001	168,818,503	97,540,145	92,567,449	292,572,146	261,385,952
Total assets	<u>239,138,224</u>	<u>214,165,456</u>	<u>117,733,296</u>	<u>114,126,793</u>	<u>356,871,520</u>	<u>328,292,249</u>
Long-term debt outstanding	31,436,964	32,887,105	34,241,989	35,563,446	65,678,953	68,450,551
Other liabilities	16,756,529	14,224,428	1,719,574	3,320,323	18,476,103	17,544,751
Total liabilities	<u>48,193,493</u>	<u>47,111,533</u>	<u>35,961,563</u>	<u>38,883,769</u>	<u>84,155,056</u>	<u>85,995,302</u>
Net assets						
Invested in capital assets, net of related debt	164,633,436	137,339,267	66,417,595	62,721,795	231,051,031	200,061,062
Restricted	6,817,249	5,546,108	4,188,003	4,508,398	11,005,252	10,054,506
Unrestricted	19,494,046	24,168,548	11,166,135	8,012,831	30,660,181	32,181,379
Total net assets	<u>\$ 190,944,731</u>	<u>\$ 167,053,923</u>	<u>\$ 81,771,733</u>	<u>\$ 75,243,024</u>	<u>\$ 272,716,464</u>	<u>\$ 242,296,947</u>

An additional portion of the City's net assets (4.04%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$36,305,432 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2008, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2008. Net Assets for governmental activities increased by \$23,890,808, which is a decrease of \$7,446,292 from the previous year. Business-type activities increased by \$6,528,709 which represents a decrease of \$6,463,046 from the previous year. One of the factors contributing to a decrease in Net Assets in both fund types is the Capital grants and contributions. Capital contributions comprise of infrastructure built and donated by developers to the City. For economic reasons, construction slowed down during the last fiscal year.

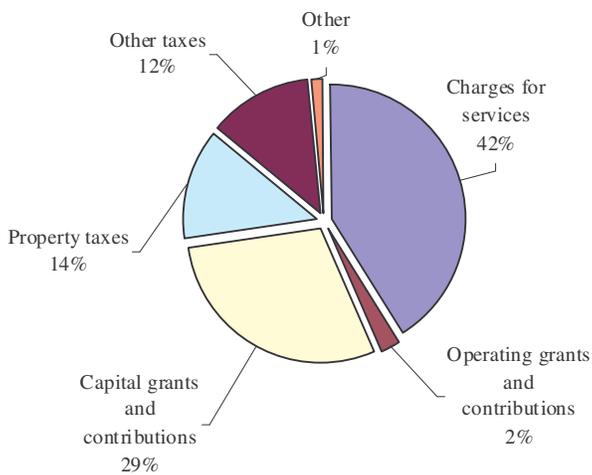
CITY OF SOUTH JORDAN'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 16,146,718	\$ 16,135,108	\$ 18,155,162	\$ 16,271,734	\$ 34,301,880	\$ 32,406,842
Operating grants and contributions	1,878,241	1,950,195	-	-	1,878,241	1,950,195
Capital grants and contributions	20,049,268	27,178,129	4,272,734	8,541,823	24,322,002	35,719,952
General Revenues:						
Property taxes	11,456,293	8,900,328	-	-	11,456,293	8,900,328
Other taxes	10,277,909	9,182,820	-	-	10,277,909	9,182,820
Other	995,130	1,625,121	-	-	995,130	1,625,121
Total revenues	<u>60,803,559</u>	<u>64,971,701</u>	<u>22,427,896</u>	<u>24,813,557</u>	<u>83,231,455</u>	<u>89,785,258</u>
Expenses:						
General Government	12,496,178	3,686,088	-	-	12,496,178	3,686,088
Community Development	4,307,929	3,071,596	-	-	4,307,929	3,071,596
Public Works	8,152,171	8,725,180	-	-	8,152,171	8,725,180
Public Safety	9,085,813	7,782,425	-	-	9,085,813	7,782,425
Parks & Recreation	2,797,001	1,958,186	-	-	2,797,001	1,958,186
Interest on Long-Term Debt	1,364,267	1,615,736	-	-	1,364,267	1,615,736
Water	-	-	11,634,967	9,635,759	11,634,967	9,635,759
Sanitation	-	-	1,929,607	1,676,313	1,929,607	1,676,313
Mulligans	-	-	1,273,851	1,285,024	1,273,851	1,285,024
Total Expenses	<u>38,203,359</u>	<u>26,839,211</u>	<u>14,838,425</u>	<u>12,597,096</u>	<u>53,041,784</u>	<u>39,436,307</u>
Gain on Sale of Capital Assets	<u>229,846</u>	<u>11,125</u>	<u>-</u>	<u>(236,326)</u>	<u>229,846</u>	<u>(225,201)</u>
Increase (decrease) in net assets before transfers	<u>22,830,046</u>	<u>32,348,720</u>	<u>7,589,471</u>	<u>11,980,135</u>	<u>30,419,517</u>	<u>44,328,855</u>
Transfers	<u>1,060,762</u>	<u>(1,011,620)</u>	<u>(1,060,762)</u>	<u>1,011,620</u>	<u>-</u>	<u>-</u>
Increase in net assets	<u>23,890,808</u>	<u>31,337,100</u>	<u>6,528,709</u>	<u>12,991,755</u>	<u>30,419,517</u>	<u>44,328,855</u>
Net assets, beginning	<u>167,053,923</u>	<u>135,716,823</u>	<u>75,243,024</u>	<u>62,251,269</u>	<u>242,296,947</u>	<u>197,968,092</u>
Net assets, ending	<u>\$ 190,944,731</u>	<u>\$ 167,053,923</u>	<u>\$ 81,771,733</u>	<u>\$ 75,243,024</u>	<u>\$ 272,716,464</u>	<u>\$ 242,296,947</u>

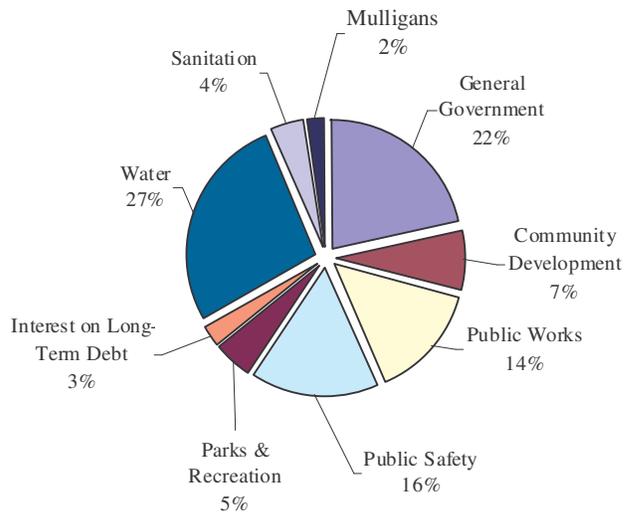
The largest source of revenue from charges for services is impact fees, and property taxes are the primary source of general revenue. Most of the City’s operating grants are related to public safety, while capital grants consist mostly of donated infrastructure assets.

The following two graphs displays South Jordan’s government-wide revenues and expenses for the fiscal year ended June 30, 2008.

Total Revenues
Government-Wide Operations
of the City of South Jordan

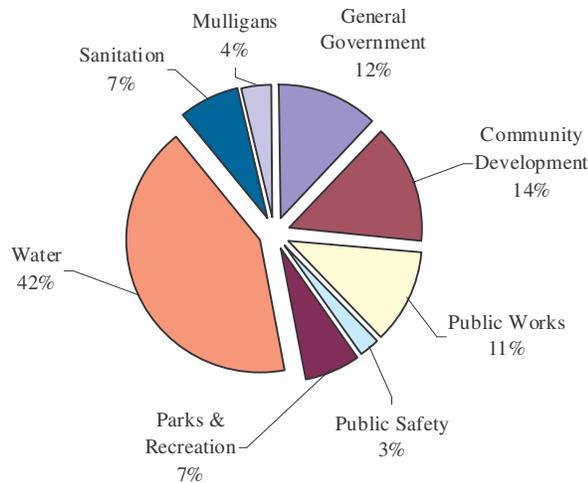


Total Expenses
Government-Wide Operations
of the City of South Jordan



The following graph displays details of the City's charges for services for the fiscal year ended June 30, 2008.

**Charges for Services by Source
for the City of South Jordan**



Financial Analysis of Government's Funds

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

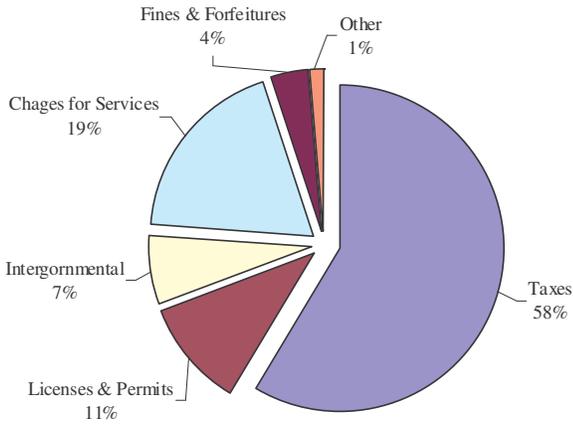
As of June 30, 2008, The City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$21,124,061. This represents an decrease of \$3,767,350 over last year's ending balances. Approximately 68 percent of the total fund balance (\$14,330,673) constitutes *unreserved fund balance*. This includes \$4,797,964, which is not reserved but is designated in the Construction Fund to be used for capital projects within the City. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for debt service, 2) for capital projects funded by impact fee revenue, 3) or for a variety of other restricted purposes.

General Fund

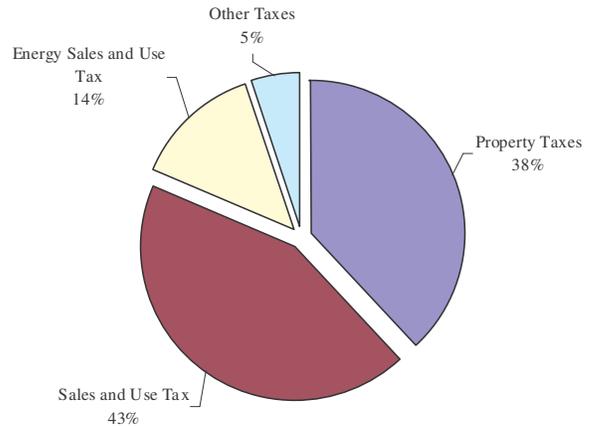
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$621,694 during the year.

Taxes continue to be the largest source of revenue in the General Fund and represent 58 percent of total general fund revenues. The largest component of tax revenue is sales tax, which represents 43 percent of total tax revenues and 24 percent of total general fund revenues. This compares with 24 percent of total general fund revenues in the prior fiscal year ended June 30, 2007. General Fund expenditures increased from \$20,008,099 in 2007 to \$23,133,684 in 2008. This represents a 13.51% increase.

**City of South Jordan
General Fund Revenue by Source**

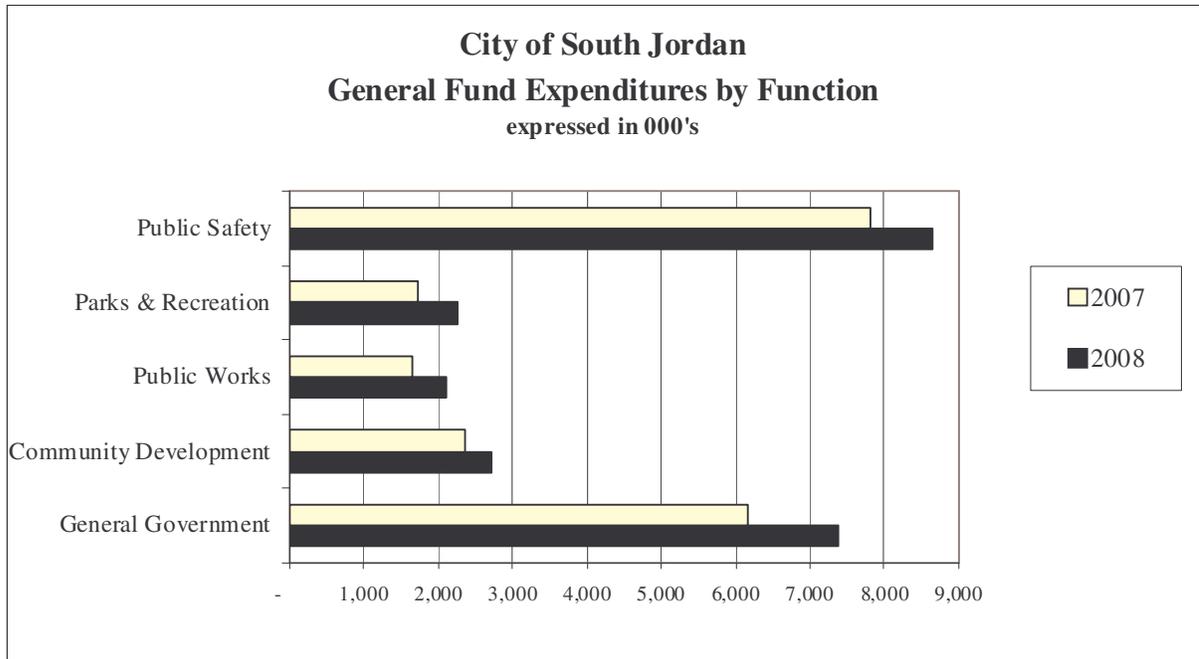


**City of South Jordan
Tax Revenue by Type**



Generally, expenditures increased consistently throughout the City. Some responsibilities were transferred from General Government to Public Works, which explains the decrease in General Government expenditures.

The chart on the following page compares general fund expenditures by function between 2007 and 2008.



Other Governmental Funds

Highlights from the City’s other major governmental funds show indicators of a rapidly growing city. During FY 2008, property tax collections from redevelopment areas increased 28 percent to a total of \$5,045,150 during the same period. Total payments for debt service decreased from \$4,820,777 in 2007 to \$3,842,924 in 2008. This includes debt paid both in the Debt Service fund and in the Municipal Building Authority fund.

Finally, capital expenditures totaled \$12,791,076 in the Construction fund and \$13,677,411 for the City as a whole. The fund balance in the Construction fund decreased by \$5,185,522. This decrease was due to expenditures of budgeted projects.

Enterprise Funds. The City’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In summary, unrestricted net assets of the Water fund increased from \$5,325,276 to \$7,606,006; increased from \$3,234,961 to \$3,380,363 in the sanitation fund, and decreased from \$284,218 to \$179,761 in the Mulligans fund.

During FY 2007-2008, water rates were adjusted to keep pace with the City’s increased cost to purchase water. The base rate for residential customers increased to \$33.06 per month with consumption rates ranging from \$1.47 to \$2.24 per thousand gallons. The base rate for commercial customers increased from \$66.14 per month to \$70.11 per month with consumptions rates ranging from \$1.74 per thousand gallons to \$2.75 per thousand gallons. Higher rates are charged to consumers as their consumption increases. Other factors concerning the finances of these two funds have already been discussed in the discussion of South Jordan’s business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the General Fund budget (including transfers) was amended from an original budget expenditure total of \$23,856,146 to a final budget of \$24,216,015. All departments monitor their budgets closely and are required to stay within their allotment. Budget adjustments made during the year can be summarized as follows:

- General Government decreased by \$106,723
- Community Development increased by \$37,492
- Public Works increased by \$98,809
- Public Safety decreased by \$87,038
- Parks and Recreation increased by \$417,329

These adjustments were based on updated revenue projections and departmental needs as determined by the City Council.

During the year, actual revenues were less than budgeted revenues by \$565,921. Actual expenditures were less than budgeted expenditures by \$1,082,332. These surpluses were transferred to capital projects to assist in fulfilling the capital needs of the City.

Capital Assets and Debt Administration

Capital assets. The City of South Jordan's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounts to \$292,572,146 (net of accumulated depreciation). This investment in capital assets includes: land, buildings and structures, improvements, infrastructure (streets, sidewalks, etc.), machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 20% (an 18% increase for governmental activities and a 23% increase for business-type activities).

City of South Jordan's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 46,223,032	\$ 33,803,343	\$ 12,134,909	\$ 12,134,910	\$ 58,357,941	\$ 45,938,253
Water Shares	-	-	18,787,244	18,628,369	18,787,244	18,628,369
Buildings	15,452,060	16,111,657	1,401,835	1,447,984	16,853,895	17,559,641
Improvements	13,228,941	7,241,961	61,293,246	45,748,932	74,522,187	52,990,893
Machinery & Equip	5,387,000	4,558,493	998,431	966,768	6,385,431	5,525,261
Infrastructure	106,789,666	103,176,484	-	-	106,789,666	103,176,484
Const in Progress	7,951,302	3,926,565	2,924,481	13,640,487	10,875,783	17,567,052
Total Capital Assets	\$ 195,032,001	\$ 168,818,503	\$ 97,540,145	\$ 92,567,450	\$ 292,572,146	\$ 261,385,953

Major capital asset events during FY 07-08 include the following:

- \$19,893,211 in contributed infrastructure assets including \$12,108,365 in land beneath roads contributed to the City.
- Upgrades to the City’s culinary water system totaling \$17,931,793.
- During the year, the City spent just over \$3.2 million on projects such as construction of new and or extension of roads, improvements to park projects, construction of Museum and Public Works building.

Additional information on the City’s capital assets can be found on footnote 7 on page 58-59 of this report.

Long-term debt. As of June 30, 2008, the City had a total bonded debt outstanding of \$61,910,000. All of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

City of South Jordan's Outstanding Debt
General Obligation and Revenue Bonds (000's)

	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessment debt with governmental commitment	5,770	6,100	-	-	5,770	6,100
Revenue Bonds	22,235	23,340	33,905	36,175	56,140	59,515
Total bonded debt	\$ 28,005	\$ 29,440	\$ 33,905	\$ 36,175	\$ 61,910	\$ 65,615

The City’s total bonded debt decreased by \$3,705,000 during the year. SID bond was refinanced with lower interest during this fiscal year.

The City currently has no general obligation debt. The most recent bond ratings issued for South Jordan are: the series 2008 Sales Tax Revenue bonds, with a Standard and Poor’s rating of “AA”.

State statutes limit the amount of general obligation debt a governmental entity may issue to 12% 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 \$146,284,400, which is significantly in excess of the City’s outstanding general obligation debt. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum of 12% may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that

used for water, sewer and electrical projects is thus \$438,853,200, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long term-debt can be found in footnote 9 on pages 61-66 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for the City of South Jordan for fiscal year 2008 was 1.9%. This compares with a national unemployment rate of 4.6%. The 2007 unemployment rate for the City of South Jordan was 1.6%. (Source: Bureau of Labor Statistics)
- The General Fund budget for the fiscal year ending June 30, 2009 reflects an increase of .37% over the final budget for the fiscal year-ended June 30, 2008.
- All rates the City charges for services are evaluated annually. Water rates were adjusted April 1, 2007, in accordance with the City's water rate study. No water rate changes were made July 1, 2007. The water rate study recommend an rate increase of 6%, which would take place during the summer of 2008.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of South Jordan's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of South Jordan, Associate Director of Finance, 1600 West Towne Center Drive, South Jordan, UT 84095, or call (801) 254-3742, or e-mail to snaidu@sjc.utah.gov.

Basic Financial Statements



SOUTH JORDAN

Government-Wide Financial Statements



SOUTH JORDAN

CITY OF SOUTH JORDAN

Statement of Net Assets June 30, 2008

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 22,407,278	\$ 10,672,297	\$ 33,079,575
Restricted Cash	1,590,353	3,806,007	5,396,360
Receivables	19,500,981	2,491,020	21,992,001
Interfund Balances	32,141	(32,141)	-
Inventories	21,901	111,721	133,622
Other Assets	-	2,410,431	2,410,431
Bond Issuance Costs (Net)	553,569	733,816	1,287,385
Capital Assets:			
Land	46,223,032	12,134,910	58,357,942
Water Shares	-	18,787,244	18,787,244
Buildings	19,261,969	1,960,145	21,222,114
Improvements	158,147,722	74,081,931	232,229,653
Machinery & Equipment	11,722,644	2,383,602	14,106,246
Construction in Progress	7,951,302	2,924,478	10,875,780
Less Accumulated Depreciation	(48,274,668)	(14,732,165)	(63,006,833)
Total Assets	<u>239,138,224</u>	<u>117,733,296</u>	<u>356,871,520</u>
LIABILITIES			
Accounts Payable	3,185,455	1,291,641	4,477,096
Unearned Revenue	10,867,758	-	10,867,758
Other Liabilities	2,244,600	103,964	2,348,564
Accrued Interest Payable	458,716	323,969	782,685
Long-term Liabilities			
Due Within One Year	3,405,525	1,538,590	4,944,115
Due in More Than One Year	28,031,439	32,703,399	60,734,838
Total Liabilities	<u>48,193,493</u>	<u>35,961,563</u>	<u>84,155,056</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	164,633,436	66,417,595	231,051,031
Restricted for:			
Impact Fees	4,738,507	3,463,979	8,202,486
Debt Service	1,590,353	724,024	2,314,377
Perpetual Care			
Expendable	174,760	-	174,760
Non-expendable	313,629	-	313,629
Unrestricted	19,494,046	11,166,135	30,660,181
Total Net Assets	<u>\$ 190,944,731</u>	<u>\$ 81,771,733</u>	<u>\$ 272,716,464</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Activities
For the Year Ended June 30, 2008

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental:				
General Government	\$ 12,496,178	\$ 4,203,401	\$ 78,545	\$ -
Community Development	4,307,929	4,940,046	-	-
Public Works	8,152,171	3,808,582	1,710,969	19,893,211
Public Safety	9,085,813	906,824	74,829	156,057
Parks & Recreation	2,797,002	2,287,865	13,898	-
Interest on Long-Term Debt	1,364,267	-	-	-
Total Governmental Activities	<u>38,203,359</u>	<u>16,146,718</u>	<u>1,878,241</u>	<u>20,049,268</u>
Business-type:				
Water	11,634,967	14,461,880	-	4,272,734
Sanitation	1,929,607	2,446,905	-	-
Mulligan's	1,273,851	1,246,377	-	-
Total Business-type Activities	<u>14,838,425</u>	<u>18,155,162</u>	<u>-</u>	<u>4,272,734</u>
Total Primary Government	<u>53,041,784</u>	<u>34,301,880</u>	<u>1,878,241</u>	<u>24,322,002</u>

General Revenues:

Property Taxes
Sales and Use Tax
Energy Sales and Use Tax
Other Taxes
Gain (loss) on disposition of capital assets
Unrestricted Investment Earnings

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets -- Beginning

Net Assets -- Ending

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (8,214,232)	\$ -	\$ (8,214,232)
632,117	-	632,117
17,260,591	-	17,260,591
(7,948,103)	-	(7,948,103)
(495,239)	-	(495,239)
(1,364,267)	-	(1,364,267)
(129,132)	-	(129,132)
-	7,099,647	7,099,647
-	517,298	517,298
-	(27,474)	(27,474)
-	7,589,471	7,589,471
(129,132)	7,589,471	7,460,339
11,456,293	-	11,456,293
7,174,379	-	7,174,379
2,260,516	-	2,260,516
843,014	-	843,014
229,846	-	229,846
995,130	-	995,130
1,060,762	(1,060,762)	-
24,019,940	(1,060,762)	22,959,178
23,890,808	6,528,709	30,419,517
167,053,923	75,243,024	242,296,947
<u>\$ 190,944,731</u>	<u>\$ 81,771,733</u>	<u>\$ 272,716,464</u>

See accompanying notes.

Governmental Fund Financial Statements

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Redevelopment Agency (RDA)

This 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.

Construction Fund

This fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants and interest earnings are the principal sources of funding for these projects.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 77.



CITY OF SOUTH JORDAN

Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Special Revenue RDA	Capital Projects Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash & Cash Equivalents	\$ 6,827,304	\$ 143,882	\$ 1,220,398	\$ 10,884,077	\$ 3,331,617	\$ 22,407,278
Restricted for Debt Service	-	863,500	-	-	726,853	1,590,353
Receivables	8,720,485	5,770,000	4,781,898	96,857	131,741	19,500,981
Inventories	21,901	-	-	-	-	21,901
Due from other funds	-	-	-	32,141	-	32,141
Total Assets	<u>\$ 15,569,690</u>	<u>\$ 6,777,382</u>	<u>\$ 6,002,296</u>	<u>\$ 11,013,075</u>	<u>\$ 4,190,211</u>	<u>\$ 43,552,654</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and Accrued Liabilities	1,687,942	-	54,193	1,330,530	112,790	3,185,455
Construction Bonds and Refunds	2,227,524	-	-	17,076	-	2,244,600
Deferred Revenue	360,780	5,770,000	-	-	-	6,130,780
Unearned Revenue	6,085,860	-	4,781,898	-	-	10,867,758
Total Liabilities	<u>10,362,106</u>	<u>5,770,000</u>	<u>4,836,091</u>	<u>1,347,606</u>	<u>112,790</u>	<u>22,428,593</u>
FUND BALANCES						
Reserved for:						
Debt Service	-	863,500	-	-	726,853	1,590,353
Impact Fees	-	-	-	4,738,507	-	4,738,507
Long-term Note Receivable	-	-	-	96,857	-	96,857
Perpetual Care	-	-	-	-	313,629	313,629
Inventory	21,901	-	-	-	-	21,901
Unreserved, Reported In						
General Fund	5,185,683	-	-	-	-	5,185,683
Capital Projects Funds	-	-	-	4,830,105	-	4,830,105
Debt Service Funds	-	143,882	-	-	-	143,882
Special Revenue Funds	-	-	1,166,205	-	2,862,179	4,028,384
Permanent Funds	-	-	-	-	174,760	174,760
Total Fund Balances	<u>5,207,584</u>	<u>1,007,382</u>	<u>1,166,205</u>	<u>9,665,469</u>	<u>4,077,421</u>	<u>21,124,061</u>
Total Liabilities and Fund Balances	<u>\$ 15,569,690</u>	<u>\$ 6,777,382</u>	<u>\$ 6,002,296</u>	<u>\$ 11,013,075</u>	<u>\$ 4,190,211</u>	

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

Capital assets used in governmental activities are not financial resources.	195,032,001
Other long-term assets are not available to pay for current-period expenditures.	6,130,780
Long-term liabilities, including bonds payable, are not due and payable in the current period	(31,342,111)
Net assets of governmental activities	<u>\$ 190,944,731</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Year Ended June 30, 2008

	Special Revenue		
	General	Debt Service	RDA
REVENUES			
Taxes	\$ 16,559,099	\$ -	\$ 5,045,150
Licenses & Permits	2,974,174	-	-
Intergovernmental	1,989,938	-	-
Charges for Services	5,354,090	-	-
Fines & Forfeitures	1,009,544	-	-
Special Assessments	-	785,888	-
Interest	308,098	91,360	58,779
Impact Fees	-	-	-
Miscellaneous	64,076	148,066	20,603
Total Revenues	28,259,019	1,025,314	5,124,532
EXPENDITURES			
Current			
General Government	7,386,746	-	356,047
Community Development	2,705,036	-	-
Public Works	2,114,308	-	-
Public Safety	8,663,160	-	-
Parks and Recreation	2,264,434	-	-
Tax Increment Distributions	-	-	2,769,047
Capital Outlay & Projects	-	-	559,816
Debt Service			
Principal Retirement	-	1,562,349	118,402
Interest and Fees	-	1,414,280	23,911
Total Expenditures	23,133,684	2,976,629	3,827,223
Excess (Deficiency) of Revenues over Expenditures	5,125,335	(1,951,315)	1,297,309
Other Financing Sources (Uses)			
Issuance of Long-Term Debt	-	5,770,000	-
Sale of Capital Assets	-	-	643,499
Payment to refunded bond escrow agent	-	(6,100,000)	-
Transfers In	571,072	2,122,285	-
Transfers Out	(5,074,713)	-	(1,547,010)
Total Other Financing Sources (Uses)	(4,503,641)	1,792,285	(903,511)
Net Change in Fund Balance	621,694	(159,030)	393,798
Fund Balances - July 1	4,585,890	1,166,412	772,407
Fund Balances - June 30	\$ 5,207,584	\$ 1,007,382	\$ 1,166,205

See accompanying notes.

<u>Capital Projects</u>		
<u>Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 21,604,249
-	-	2,974,174
-	50,631	2,040,569
-	1,978,710	7,332,800
-	-	1,009,544
-	-	785,888
410,753	126,140	995,130
2,463,789	-	2,463,789
1,624,386	47,120	1,904,251
<u>4,498,928</u>	<u>2,202,601</u>	<u>41,110,394</u>
-	1,951,334	9,694,127
-	122,157	2,827,193
-	1,085,777	3,200,085
-	-	8,663,160
-	-	2,264,434
-	-	2,769,047
12,791,076	326,519	13,677,411
-	350,000	2,030,751
-	373,982	1,812,173
<u>12,791,076</u>	<u>4,209,769</u>	<u>46,938,381</u>
<u>(8,292,148)</u>	<u>(2,007,168)</u>	<u>(5,827,987)</u>
610,000	-	6,380,000
76,375	-	719,874
-	-	(6,100,000)
5,261,069	2,698,996	10,653,422
<u>(2,840,818)</u>	<u>(130,118)</u>	<u>(9,592,659)</u>
<u>3,106,626</u>	<u>2,568,878</u>	<u>2,060,637</u>
(5,185,522)	561,710	(3,767,350)
14,850,991	3,515,711	24,891,411
<u>\$ 9,665,469</u>	<u>\$ 4,077,421</u>	<u>\$ 21,124,061</u>

See accompanying notes.

CITY OF SOUTH JORDAN
 Reconciliation of The Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 To The Statement of Activities
 For the Year Ended June 30, 2008

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

Net Change in Fund Balance -- Total Governmental Funds	\$ (3,767,350)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,810,479
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	19,403,183
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(200,047)
Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net assets. Repayments of bond and capital lease principal are expenditures in the governmental funds, but reduce liabilities in the statement of net assets.	1,588,601
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>55,941</u>
Change in net assets of governmental activities	<u><u>\$ 23,890,808</u></u>

See accompanying notes.

Proprietary Fund Financial Statements

Water Fund

This fund is used to account for the activities of the City's water operations.

Sanitation Fund

This fund is used to account for the activities of the City's sanitation operations.

Mulligans

This fund is used to account for the operation of Mulligan's Golf & Games. This City recreation facility includes golf, miniature golf, a driving range, and batting cages.



CITY OF SOUTH JORDAN

Statement of Net Assets Proprietary Funds June 30, 2008

	Business-type Activities - Enterprise Funds			
	Water	Sanitation	Mulligans	Total
	Fund	Fund	Fund	
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 9,776,442	\$ 795,411	\$ 100,444	\$ 10,672,297
Accounts Receivable	2,183,007	308,013	-	2,491,020
Inventories	101,290	-	10,431	111,721
Total Current Assets	12,060,739	1,103,424	110,875	13,275,038
Noncurrent Assets				
Restricted Cash	3,079,303	-	726,704	3,806,007
Investment in Landfill	-	2,410,431	-	2,410,431
Bond Issuance Costs	996,528	-	282,151	1,278,679
Accumulated Amortization	(509,594)	-	(35,269)	(544,863)
Capital Assets				
Land	2,117,963	-	10,016,947	12,134,910
Water Shares	18,787,244	-	-	18,787,244
Buildings and Structures	1,260,345	-	699,800	1,960,145
Improvements - Other than Buildings	73,876,848	-	205,083	74,081,931
Machinery and Equipment	1,335,822	710,833	336,947	2,383,602
Construction in Progress	2,924,478	-	-	2,924,478
Less Accumulated Depreciation	(14,058,536)	(230,282)	(443,347)	(14,732,165)
Capital Assets (Net of Accum Depreciation)	86,244,164	480,551	10,815,430	97,540,145
Total Noncurrent Assets	89,810,401	2,890,982	11,789,016	104,490,399
Total Assets	101,871,140	3,994,406	11,899,891	117,765,437
LIABILITIES				
Current Liabilities				
Accounts Payable	1,135,267	120,196	36,178	1,291,641
Accrued Liabilities	37,988	3,519	34,161	75,668
Interest Payable	251,596	7,820	64,553	323,969
Due to Other Funds	-	-	32,141	32,141
Construction Bonds and Refunds	28,296	-	-	28,296
Current Portion Compensated Absences	24,541	1,952	13,643	40,136
Current Portion Bonds Payable	1,190,000	-	190,000	1,380,000
Current Portion Capital Leases Payable	19,080	99,374	-	118,454
Total Current Liabilities	2,686,768	232,861	370,676	3,290,305
Noncurrent Liabilities				
Bonds & Leases Payable net of unamortized refunding bond cost	26,581,661	103,209	6,018,529	32,703,399
Total Noncurrent Liabilities	26,581,661	103,209	6,018,529	32,703,399
Total Liabilities	29,268,429	336,070	6,389,205	35,993,704
NET ASSETS				
Investment in Capital Assets, net of related debt	61,532,726	277,968	4,606,901	66,417,595
Restricted for:				
Impact Fees	3,463,979	-	-	3,463,979
Debt Service	-	-	724,024	724,024
Unrestricted	7,606,006	3,380,368	179,761	11,166,135
Total Net Assets	\$ 72,602,711	\$ 3,658,336	\$ 5,510,686	\$ 81,771,733

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			Total
	Water Fund	Sanitation Fund	Mulligan's Fund	
Operating Revenues				
Charges for Services				
Operations	\$ -	\$ 2,271,010	\$ 1,216,463	\$ 3,487,473
Pledged as Security for Revenue Bonds	11,883,052	-	-	11,883,052
Miscellaneous	1,812,615	-	5,078	1,817,693
Total Operating Revenue	<u>13,695,667</u>	<u>2,271,010</u>	<u>1,221,541</u>	<u>17,188,218</u>
Operating Expenses				
Costs of Services	6,569,692	1,566,748	833,936	8,970,376
General and Administrative	1,237,566	305,751	18,017	1,561,334
Depreciation	2,469,241	49,287	127,516	2,646,044
Total Operating Expenses	<u>10,276,499</u>	<u>1,921,786</u>	<u>979,469</u>	<u>13,177,754</u>
Operating Income (Loss)	<u>3,419,168</u>	<u>349,224</u>	<u>242,072</u>	<u>4,010,464</u>
Non-Operating Revenues (Expenses)				
Increase in Joint Venture	-	139,611	-	139,611
Interest	766,213	36,284	24,836	827,333
Loss on Sale of Capital Assets	(52,866)	-	-	(52,866)
Amortization of Bond Issuance Costs	(44,250)	-	(11,756)	(56,006)
Interest Expense	(1,261,352)	(7,821)	(282,626)	(1,551,799)
Total Non-Operating Revenue (Expenses)	<u>(592,255)</u>	<u>168,074</u>	<u>(269,546)</u>	<u>(693,727)</u>
Income (Loss) Before Contributions and Transfers	<u>2,826,913</u>	<u>517,298</u>	<u>(27,474)</u>	<u>3,316,737</u>
Contributions and Transfers				
Capital Contributions, Impact Fees and Other	4,272,734	-	-	4,272,734
Transfers In	469,067	-	1,080,402	1,549,469
Transfers Out	(2,416,401)	(193,190)	(640)	(2,610,231)
Total Contributions & Transfers	<u>2,325,400</u>	<u>(193,190)</u>	<u>1,079,762</u>	<u>3,211,972</u>
Change in Net Assets	<u>5,152,313</u>	<u>324,108</u>	<u>1,052,288</u>	<u>6,528,709</u>
Total Net Assets - Beginning	<u>67,450,398</u>	<u>3,334,228</u>	<u>4,458,398</u>	<u>75,243,024</u>
Total Net Assets - Ending	<u>\$ 72,602,711</u>	<u>\$ 3,658,336</u>	<u>\$ 5,510,686</u>	<u>\$ 81,771,733</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2008

	Water Fund	Sanitation Fund	Mulligans	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 13,588,972	\$ 2,252,228	\$ 1,236,205	\$ 17,077,405
Payments to Suppliers	(6,215,130)	(1,478,511)	(296,378)	(7,990,019)
Interfund Services	(1,237,566)	(305,751)	(18,017)	(1,561,334)
Payments to Employees	(884,336)	(93,975)	(509,872)	(1,488,183)
Net cash provided (used) by operating activities	<u>5,251,940</u>	<u>373,991</u>	<u>411,938</u>	<u>6,037,869</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	469,067	-	1,080,402	1,549,469
Transfers Out	(2,416,401)	(193,190)	(640)	(2,610,231)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,947,334)</u>	<u>(193,190)</u>	<u>1,079,762</u>	<u>(1,060,762)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Impact fees	1,006,484	-	-	1,006,484
Purchase of capital assets	(4,214,330)	(132,308)	(83,718)	(4,430,356)
Proceeds from water board grant	25,000	-	-	25,000
Principal paid on capital debt	(1,133,371)	(95,679)	(1,164,663)	(2,393,713)
Interest paid on capital debt	(1,246,432)	(11,513)	(295,750)	(1,553,695)
Net cash provided (used) by capital and related financing activities	<u>(5,562,649)</u>	<u>(239,500)</u>	<u>(1,544,131)</u>	<u>(7,346,280)</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income	766,213	36,284	24,836	827,333
Net increase (decrease) in cash and cash equivalents	<u>(1,491,830)</u>	<u>(22,415)</u>	<u>(27,595)</u>	<u>(1,541,840)</u>
Cash and cash equivalents - beginning of year	<u>14,347,575</u>	<u>817,827</u>	<u>854,743</u>	<u>16,020,145</u>
Cash and cash equivalents - end of year	<u>\$ 12,855,745</u>	<u>\$ 795,412</u>	<u>\$ 827,148</u>	<u>\$ 14,478,305</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ 3,419,168	\$ 349,224	\$ 242,072	\$ 4,010,464
Adjustments to reconcile operating income to net cash provided (Used) by operating activities:				
Depreciation expense	2,469,241	49,287	127,516	2,646,044
(Increase) decrease in receivables	(31,680)	(18,782)	-	(50,462)
(Increase) decrease in inventory	(74,484)	-	14,664	(59,820)
(Increase) decrease in other current assets	27,902	-	-	27,902
Increase (decrease) in accounts payable	(580,998)	(7,702)	18,888	(569,812)
Increase (decrease) in accrued liabilities	13,085	892	6,415	20,392
Increase (decrease) in accrued vacation and sick leave	9,706	1,072	2,383	13,161
Total Adjustments	<u>1,832,772</u>	<u>24,767</u>	<u>169,866</u>	<u>2,027,405</u>
Net cash provided (used) by operating activities	<u>\$ 5,251,940</u>	<u>\$ 373,991</u>	<u>\$ 411,938</u>	<u>\$ 6,037,869</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	\$ 4,272,734	\$ -	\$ -	\$ 4,272,734
Increase in equity investment in Trans-Jordan Landfill	-	139,611	-	139,611

See accompanying notes.

Notes to the Financial Statements



SOUTH JORDAN

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Jordan (the City) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies FASB pronouncements issued after that date to its business-type activities and enterprise funds. The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of South Jordan was incorporated on November 8, 1935, under laws of the State of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body, consisting of the Mayor and a five-member City Council. They are assisted by a City Manager, who also is the City's budget officer. The Finance Director is currently responsible for the financial matters of the City, including money management, accounts payable, financial statements, and accounts receivable.

The City provides the following services as mandated by law: Public Safety, Judicial Services, Highways and Streets, Sanitation, Parks, Cemetery, Water, Public Improvements, Planning and Zoning, and General Administrative Services.

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

Blended Component Units

The Municipal Building Authority was created by the City during fiscal year 1995 and is governed by the City's Mayor and Council. The authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of general capital assets for the City. The bonds are secured by a lease agreement with the City and will be retired through lease payments from the City. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Municipal Building Authority and the Redevelopment Agency are considered blended component units since the governing board in each case is the same governing board of the City.

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

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

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

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

B. Government-wide and fund financial statements

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

C. Measurement Focus, Basis of Accounting and Presentation

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

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

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Redevelopment Agency Special Revenue Fund* accounts for the activities of the agency, a blended component unit of the City. The agency is an entity established to further public purpose in the redevelopment of particular City areas.

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

The government reports the following major proprietary funds:

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

The *Sanitation Fund* accounts for the activities of the City's sanitation operations.

The *Mulligan's Fund* accounts for the activities of the recreation facility.

Additionally the government reports the following fund types:

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

Permanent Funds accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's program.

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments consist of amounts deposited with Utah Public Treasurers' Investment Fund, treasury bills of the U.S. Government, and money market funds. Investments are stated at fair value, which approximates cost.

2. Receivables and payables

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

3. Inventories and prepaid items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Capital assets

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

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

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

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

6. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. They are allowed to carry forward into the next calendar year accrued vacation up to 240 hours and all sick leave, but are encouraged to take their vacation leave within the calendar year in which it is earned. All employees are required to take at least one full week of vacation leave during the calendar year. Upon termination of employment, an employee will be compensated for all unused vacation leave, but forfeits any accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Taxes

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

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

8. Long-term obligations

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

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

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Use of Estimates

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

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

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

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

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

Capital related items:

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

Cost of capital assets	\$243,306,811
Accumulated depreciation	<u>(48,274,810)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 195,032,001</u>

Long-term debt transactions:

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

Bonds payable	\$ 28,005,000
Less: Deferred charge for issuance Costs - (to be amortized over life of debt)	(553,569)
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(419,553)
Plus: Bond premium (to be amortized to interest income)	91,409
Accrued interest payable	458,716
Capital lease payable	1,514,187
Compensated absences	855,934
Claims and Judgments	182,467
Notes Payable	<u>1,207,520</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 31,342,111</u>

Long Term Assets:

Long term assets applicable to the city’s governmental activities which are not available to pay expenses of the current period are deferred in the fund statements. However in the statement of net assets, the charges were reported as revenue when earned.

Special assessments	\$5,770,000
Delinquent property taxes	<u>360,780</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 6,130,780</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

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 assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 13,057,736
Depreciation expense	<u>(6,247,257)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 6,810,479</u>

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

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 assets differs from the change in fund balance by the cost of the capital assets sold. (\$ 490,028)

Capital assets donated by outside parties are recorded as revenues in the statement of activities, thus the net assets increase by the value of the donated assets 19,893,211

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$19,403,183

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

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

However in the statements of activities revenue is reported when earned. Thus the change is to reduce revenue by the amount of the previously reported revenue.

Special assessments	(\$330,000)
Delinquent property taxes	<u>129,953</u>
Net adjustments	<u>(\$200,047)</u>

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

Debt issued or incurred:	
Special Assessment Refunding Bond	(\$ 5,770,000)
Capital Lease Proceeds	(610,000)
Issuance cost amortization	(225,803)
Bond Issuance Costs	112,000
Deferred Refunding Costs amortization	<u>(22,989)</u>
Total debt incurred	<u>(6,516,792)</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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

Principal payments	
Capital leases	326,416
Municipal Building Authority Bond	350,000
Excise tax road bond	305,000
Sales tax revenue bond	400,000
Sales tax refunding bond	50,000
Special improvement bond	6,100,000
Notes payable	599,336
Claims and judgments	(45,263)
Bond premium amortization	<u>19,904</u>
Total principal payments	<u>8,105,393</u>

Net adjustments to decrease *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities* \$ 1,588,601

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

Compensated absences	(\$ 140,737)
Accrued interest	<u>196,678</u>

Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$ 55,941

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

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

- A. On or before the first regularly scheduled meeting of the City Council in May, the City manager, authorized under state statute to be appointed budget officer, submits a proposed operation budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 22nd, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1st.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The City manager, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing as required in (B) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- G. Encumbrances lapse at year end. Encumbered amounts carry over to the following year and are subject to reappropriation. Therefore, no encumbrances are presented in the financial statements.

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2008 the City’s cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash, Cash Equivalents, and Temporary Cash Investments	\$37,987,546
Cash and Cash Equivalents – Permanent Fund	<u>488,389</u>
Total Cash and Cash Equivalents	<u>\$38,475,935</u>

While the City’s carrying amount of deposits was \$38,475,933 the balance in the City’s bank account and cash on hand was \$38,942,632, with the difference being due to outstanding checks and deposits in transit.

A. Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As June 30, 2008 the Deposits are as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2008
Checking and Cash on Hand	Insured	\$ 17,011
Investment Sweep	Uninsured and Uncollateralized	1,284,875
Total Deposits		\$ 1,301,886

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The entire \$27,789,045 of the City’s various investments are uninsured, unregistered, and held by the counterparty’s Trust department but not in the City’s name and are therefore exposed to custodial credit risk.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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 Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s investor Service or Standard and Poors; bankers acceptances; obligations of the US treasury and U.S. government sponsored enterprise; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rated securities rated “A” or higher by two nationally recognized statistical rating services as defined in the Act.

The City is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants average daily balances. The following are the City’s investments as of June 30, 2008:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More than 10	
Collateralized Money					
Market	\$ 7,401,608	\$ -	\$ -	\$ -	Unrated
Uncollateralized Money					
Market	276,217				Unrated
Utah Public Treasurer's Investment Fund	20,387,437				Unrated
Commerical Paper	3,522,057			-	A
U.S. Agencies		454,345		-	AAA
Corporate Notes	5,599,063				AA
Total Investments	<u>\$ 37,186,382</u>	<u>\$ 454,345</u>	<u>\$ -</u>	<u>\$ -</u>	

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (*CONTINUED*)

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. The City manages its disclosure 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. The City's maturity of its investment in commercial paper is 50 days. Fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted above.

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.

Of the City's investments none are more than 9% of the portfolio in one particular issuer. Therefore, the City is within the limits established by the Council's rule 17.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 5 - RECEIVABLES

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

	General	Debt Service	RDA	Construction	Water	Sanitation	Nonmajor Governmental	Total
Receivables:								
Accounts	56,427	\$ -	\$ -	-	\$ 2,216,513	\$ 313,677	\$ 133,837	\$ 2,720,454
Property Tax	6,536,576	-	4,781,898	-	-	-	-	11,318,474
Other Taxes	1,690,289	-	-	-	-	-	-	1,690,289
Special								-
Assessments	-	5,770,000	-	-	-	-	-	5,770,000
Intergovernmental	437,193	-	-	96,857	-	-	-	534,050
Less Allowance For uncollectible								-
Accounts	-	-	-	-	(33,506)	(5,664)	(2,096)	(41,266)
	<u>\$ 8,720,485</u>	<u>\$ 5,770,000</u>	<u>\$ 4,781,898</u>	<u>\$ 96,857</u>	<u>\$ 2,183,007</u>	<u>\$ 308,013</u>	<u>\$ 131,741</u>	<u>\$ 21,992,001</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2008 is as follows:

Due to/ Due from other funds:

<u>Due From:</u>	<u>Due To:</u>	<u>Amount</u>
Capital Projects	Mulligans Fund	\$ 32,141

Interfund balances are created to finance the purchase of Golf carts for the Mulligans Golf Course. The note will be paid over 5 years and carries a 5.25% interest rate. The long-term portion at June 30, 2008 is \$21,971

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund Transfers:

	Transfer Out					Total
	General	Construction	RDA	Nonmajor Govrnmtl.	Business Type	
Transfer In:						
General	\$ -	\$ 4,622	\$ 484,846	\$ 81,604	\$ -	\$ 571,072
Debt Service	278,784	1,836,196	-	-	7,305	2,122,285
Construction	3,052,487	-	79,500	-	2,129,082	5,261,069
Nonmajor Govtl.	1,743,442	-	902,262	48,514	4,777	2,698,995
Business Type	-	1,000,000	80,402	-	-	1,080,402
Total Transfer Out	<u>\$5,074,713</u>	<u>\$ 2,840,818</u>	<u>\$ 1,547,010</u>	<u>\$ 130,118</u>	<u>\$ 2,141,164</u>	<u>\$ 11,733,823</u>

The City transferred monies between funds to support debt service payments in the debt service fund. Also, the City transferred monies to support related capital expenditures in the construction fund.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ -	\$6,085,860
Delinquent Property Taxes (general fund)	360,780	-
Property taxes receivable (redevelopment agency)	-	4,781,898
Special assessments not yet due (debt service fund)	<u>5,770,000</u>	-
Total deferred/unearned revenue for governmental funds	<u>\$6,130,780</u>	<u>\$10,867,758</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 33,803,343	\$ 12,419,689		\$ 46,223,032
Construction in progress	3,926,565	7,254,354	3,229,617	7,951,302
Total capital assets not being depreciated	<u>37,729,908</u>	<u>19,674,043</u>	<u>3,229,617</u>	<u>54,174,334</u>
Capital assets being depreciated:				
Buildings	19,261,969			19,261,969
Machinery and equipment	10,270,235	1,830,272	377,863	11,722,644
Improvements	143,960,287	14,676,108	488,673	158,147,722
Total capital assets being depreciated	<u>173,492,491</u>	<u>16,506,380</u>	<u>866,536</u>	<u>189,132,334</u>
Less accumulated depreciation for:				
Buildings	3,150,312	659,597		3,809,909
Improvements	33,541,842	4,658,686	71,578	38,128,950
Machinery and equipment	5,711,905	928,974	305,071	6,335,808
Total accumulated depreciation	<u>42,404,059</u>	<u>6,247,257</u>	<u>376,649</u>	<u>48,274,667</u>
Total capital assets, being depreciated, net	<u>131,088,432</u>	<u>10,259,123</u>	<u>489,887</u>	<u>140,857,667</u>
Governmental activities capital assets, net	<u>\$ 168,818,340</u>	<u>\$ 29,933,166</u>	<u>\$ 3,719,504</u>	<u>\$ 195,032,001</u>
Business-type activities:	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated:				
Land	\$ 12,134,910	-	-	\$ 12,134,910
Construction in progress	13,640,487	2,363,121	13,079,130	2,924,478
Water Shares	18,628,370	158,875		18,787,245
Total capital assets not being depreciated	<u>44,403,767</u>	<u>2,521,996</u>	<u>13,079,130</u>	<u>33,846,633</u>
Capital assets being depreciated:				
Buildings	1,960,145	-	-	1,960,145
Improvements	56,247,834	17,931,793	97,697	74,081,930
Machinery and equipment	2,086,656	296,946	-	2,383,602
Total capital assets being depreciated	<u>60,294,635</u>	<u>18,228,739</u>	<u>97,697</u>	<u>78,425,677</u>
Less accumulated depreciation for:				
Buildings	478,159	80,148	-	558,307
Improvements	10,486,239	2,330,069	44,831	12,771,477
Machinery and equipment	1,166,555	235,827		1,402,382
Total accumulated depreciation	<u>12,130,953</u>	<u>2,646,044</u>	<u>44,831</u>	<u>14,732,166</u>
Total capital assets, being depreciated, net	<u>48,163,682</u>	<u>15,582,695</u>	<u>52,866</u>	<u>63,693,511</u>
Business-type activities capital assets, net	<u>\$ 92,567,449</u>	<u>\$ 18,104,691</u>	<u>\$ 13,131,996</u>	<u>\$ 97,540,144</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

Governmental activities:

General Government	\$ 538,904
Community Development	6,605
Parks and Recreation	945,419
Public Works	4,341,078
Public Safety	415,251
Total depreciation expense - governmental activities	<u>6,247,257</u>

Business-type activities:

Water	2,469,241
Mulligans	127,516
Sanitation	49,287
Total depreciation expense - Business-Type Activities	<u>2,646,044</u>
Total depreciation expense	<u><u>\$ 8,893,301</u></u>

Construction commitments

The government has various construction projects as of June 30, 2008. The government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Park Projects	\$ 1,459,778
Storm Drain Projects	93,325
Water Projects	2,932,602
Road Projects	1,185,646
General Project	1,658,490
Total	<u><u>\$ 7,329,841</u></u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 8 - LEASE COMMITMENTS

The City during 2002 executed a new lease in the amount of \$1,428,000 payable in annual installments for 5 years. During 2003, the City executed a new lease in the amount of \$567,577 payable in annual installments over 10 years. Also during 2003, the City executed a new lease in the amount of \$291,586 payable in annual installments over 6 years.

The City during 2006 executed a new lease in the amount of \$1,398,000 payable in annual installments for 5 years.

The City during 2007 executed a new lease in the amount of \$304,500 payable in annual installments for 5 years.

The City during 2008 executed a new lease in the amount of \$610,000 payable in annual installments of 5 years.

The assets acquired through capital leases are as follows:

	Governmental <u>Activities</u>
Asset:	
Machinery and Equipment	\$3,650,870
Less: Accumulated Amortization	<u>(1,964,551)</u>
Total	<u>\$1,686,319</u>

Amortization of capital assets purchased under capital leases are included in depreciation.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 8 - LEASE COMMITMENTS (CONTINUED)

The present value of future minimum capital lease payments under these leases as of June 30, 2008

Fiscal Year	Governmental Amount	Business-type Amount	Total Amount
2009	477,856	127,775	605,631
2010	424,983	127,775	552,758
2011	239,963		239,963
2012	239,965		239,965
2013	100,319		100,319
2014-2018	200,660		200,660
Total Minimum lease payments	\$ 1,683,746	\$ 255,550	\$ 1,939,296
Less amounts representing interest	(169,560)	(14,070)	(202,148)
Present value of minimum lease payments	<u>\$ 1,514,186</u>	<u>\$ 241,480</u>	<u>\$ 1,737,148</u>

At June 30, 2008 the City's capital leases payable balance consisted of the following:

	Capital Leases Payable Governmental	Capital Leases Payable Business-type	Capital Leases Payable All Fund Types
Capital Leases Payable	\$ 1,514,186	\$ 241,480	\$ 1,755,666
Current Portion Capital Lease Payable	(420,551)	(118,454)	(539,005)
Long Term Capital Leases Payable	<u>\$ 1,093,635</u>	<u>\$ 123,026</u>	<u>\$ 1,216,661</u>

NOTE 9 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2008, are comprised of the following:

Revenue Bonds:

Sales Tax Revenue Bond:

\$15,000,000 Sales Tax Revenue Bond due in annual principal and semi-annual interest payments through August, 2014 -

Interest is at varying rates from 3.50 to 5.20%

Debt was partially defeased with new bond issue: \$ 3,330,000

2007 Sales Tax Refunding Bond:

\$9,915,000 Sales Tax Revenue Refunding Bond due in annual Principal payments and semi-annual interest payments through August 2026- Interest is at varying rates form 4.00 to 4.25%

\$ 9,865,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM DEBT (CONTINUED)

2002 Lease Revenue Bond:	
\$9,390,000 Revenue Series Bond due in annual principal and semi-annual interest payments through September of 2023 - Interest is at a varying rate from 2.50% to 4.00%	8,035,000
Excise Tax Road Bond:	
\$2,865,000 Excise Tax Road Bonds due in annual principal and semi-annual interest payments through November 2010 - Interest is at a varying rate from 4.90 to 5.00%	1,005,000
Water Revenue Bonds:	
\$3,400,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through November 2020 - interest is at a varying rate from 4.40 to 5.50% Debt was Partially Defeased with new bond issue.	455,000
2003 Water Revenue Bonds:	
\$22,480,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through March 2024 – interest at a varying rate from 3.00% to 5.00%. Debt was partially defeased with new bond issue	5,545,000
2007 Water Revenue Refunding Bond:	
\$21,950,000 Water Revenue Refunding Bond due in annual principal payments and semi-annual interest payments through November 2026 – Interest is at a varying rate from 4.75%	21,775,000
2006 Municipal Building Authority Bond:	
\$9,505,000 Municipal Authority Bond due in annual principal and interest payments through February 2029 – interest is at a varying rate from 3.00% to 4.00%	6,130,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 9 - LONG-TERM DEBT (CONTINUED)

<u>Fiscal Year</u>	Revenue Bonds			
	<u>Governmental</u>		<u>Business-Type</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	1,145,000	948,210	1,380,000	1,497,007
2010	1,190,000	901,458	1,425,000	1,441,308
2011	1,230,000	851,350	1,500,000	1,383,167
2012	920,000	806,888	1,560,000	1,321,174
2013	960,000	767,467	1,630,000	1,251,495
2014-2018	5,490,000	3,130,905	9,355,000	5,013,083
2019-2023	6,915,000	1,707,328	11,380,000	2,581,423
2024-2028	4,385,000	325,064	5,245,000	554,762
2029-2033			430,000	19,350
Total	<u>\$ 22,235,000</u>	<u>\$ 9,438,670</u>	<u>\$ 33,905,000</u>	<u>\$ 15,062,769</u>

Special Assessment Bond:

2007 Special Assessment Refunding Bond:

\$5,770,000 Special Assessment Bond due in annual principal
and interest payments through November 2017 -

Interest is 3.849%

\$ 5,770,000

<u>Fiscal Year</u>	Special Assessment Bond	
	<u>Governmental</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 504,000	\$ 199,879
2010	501,000	202,688
2011	520,000	183,405
2012	540,000	163,390
2013	561,000	142,605
2014-2018	3,144,000	372,160
Total	<u>\$ 5,770,000</u>	<u>\$ 1,264,127</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Notes Payable:

Note Payable - Zions:

\$1,500,000 Line of Credit with semi-annual principal and interest payments through December 2012 – interest rate at 4.75% \$847,849

Note Payable:

\$380,652 Note Payable on land purchase with annual principal and interest payments through April 2009 – interest rate of 5% 83,735

Note Payable:

\$420,000 Note Payable on a building purchase with annual principal and interest payments through August 2014 – interest rate of 5% 275,906

Note Payable:

\$273,294 note payable to URMMA. This payable is a result of insurance claims against the City. The additions reflect new insurance claims. The deductions represent payments made to URMMA. Payable over five years - due quarterly – This note bears no interest 182,467

Fiscal Year	Notes Payable	
	Principal	Interest
2009	\$ 480,041	\$ 56,231
2010	224,196	41,688
2011	235,053	30,831
2012	347,406	27,093
2013	103,293	2,453
Total	\$ 1,389,989	\$ 158,296

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 9 – LONG-TERM DEBT (CONTINUED)

The future annual requirements for all outstanding bond and note obligations as of June 30, 2008 are as follows:

<u>Fiscal Year</u>	<u>All Bonds and Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 3,509,041	\$ 2,701,327	\$ 6,210,368
2010	3,340,196	2,587,142	5,927,338
2011	3,485,053	2,448,753	5,933,806
2012	3,367,406	2,318,545	5,685,951
2013	3,254,293	2,164,020	5,418,313
2014-2018	17,989,000	8,516,148	26,505,148
2019-2023	18,295,000	4,288,751	22,583,751
2024-2028	9,630,000	879,826	10,509,826
2029-2033	430,000	19,350	449,350
Total	<u>\$ 63,299,989</u>	<u>\$ 25,923,862</u>	<u>\$ 89,223,851</u>

During the Fiscal year 2008 the City issued \$5,770,000 of series 2007 Special Assessment bonds for a current refunding of \$5,770,000 of the series 2002 Special Assessment bonds. The refunding was undertaken to remove restrictive bond covenants associated with the bonds and to reduce total future debt service payments. The transaction resulted in a reduction in future debt service payments of \$875,768 and resulted in an economic gain of \$741,447.

During Fiscal year 2007 the City issued \$9,915,000 of Sales Tax Revenue bonds to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments. As a result \$9,240,000 of the principal was considered to be defeased and was removed from the governmental activities column of the statement of the net assets. As of the balance sheet date \$9,240,000 of the original debt is still outstanding.

In addition, during the fiscal year 2007 the City issued \$21,950,000 of Water Revenue bonds to provide resources to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the Series 2000 and Series 2003 water revenue bonds. As a result \$16,905,000 of the outstanding principal from these two bonds was considered to be defeased and was removed from the business-type activities column of the statement of the net assets. As of the balance sheet date \$16,905,000 of the two bonds original debt is still outstanding.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Changes in Long Term Debt

	July 1 2007	Additions	Reductions	June 30 2008	Due in One Yr
Governmental Activities:					
Bonds Payable:					
Excise tax road bonds	\$ 1,310,000	\$ -	\$ 305,000	\$ 1,005,000	\$ 320,000
Sales tax revenue bond	3,730,000	-	400,000	3,330,000	360,000
Sales tax revenue refunding bond	9,915,000	-	50,000	9,865,000	50,000
2002 Lease revenue bond	8,385,000	-	350,000	8,035,000	350,000
Special Assessment bond	6,100,000	-	6,100,000	-	-
Special Assessment refunding bond		5,770,000	-	5,770,000	504,000
Unamortized Bond Premium	111,313		19,904	91,409	
Less Deferred amount on refunding	(442,542)		(22,989)	(419,553)	
Total bonds payable	29,108,771	5,770,000	7,201,915	27,676,856	
Note Payable - Zions	1,013,186	-	165,306	847,880	173,251
Notes payable	163,482	-	79,747	83,735	83,735
Notes payable	314,561	-	38,655	275,906	40,588
Notes Payable - Land	315,628	-	315,628	-	-
Capital leases	1,230,602	610,000	326,416	1,514,186	420,551
Compensated absences	714,990	760,882	619,939	855,933	714,990
Claims and judgments	137,198	119,497	74,228	182,467	182,467
Gov't Activities long-term Debt	<u>\$ 32,998,418</u>	<u>\$ 7,260,379</u>	<u>\$ 8,821,834</u>	<u>\$ 31,436,963</u>	<u>\$ 3,199,582</u>
Business Type Activities:					
Bonds Payable:					
2003 Water revenue bond	\$ 6,345,000	\$ -	\$ 800,000	\$ 5,545,000	\$ 835,000
Water revenue bond	595,000	-	140,000	455,000	145,000
2007 Water revenue Refunding Bond	21,950,000	-	175,000	21,775,000	210,000
Refunding Municipal Building Bond	7,285,000	-	1,155,000	6,130,000	190,000
Unamortized Bond Premium	1,068,556		78,819	989,737	
Less Deferred amount on refunding	(994,060)		(59,695)	(934,365)	
Total bonds payable	36,249,496	-	2,289,124	33,960,372	
Capital leases	355,532	-	114,052	241,480	118,454
Compensated absences	26,974	59,370	46,208	40,136	40,136
Business-type Activities long-term Debt	<u>\$ 36,632,003</u>	<u>\$ 59,370</u>	<u>\$ 2,449,385</u>	<u>\$ 34,241,988</u>	<u>\$ 1,538,590</u>

NOTE 10 - RETIREMENT PLAN

Plan Description. The City of South Jordan contributes to the Public Employees Contributory Retirement System, Public Safety Noncontributory Retirement System, Fire Fighters Retirement System, and Judges Retirement System which are for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 10 - RETIREMENT PLAN (CONTINUED)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Contributory Retirement System, Public Safety Noncontributory Retirement System, Fire Fighters Retirement System, and Judges Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah, 84102 or by calling 1-800-365-8772.

Funding Policy.

In the Public Employees Contributory Retirement System (11), members are required to contribute 6.0% of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 5.0% of the member's required contribution. In addition, the City is required to contribute 7.61% of the member's annual covered salary. In the Public Safety Noncontributory Retirement System (43) the City is required to contribute 22.61% of the member's annual covered salary. In the Fire Fighters Retirement System (Division A) members are required to contribute 12.76% of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 11.76% of the members required contribution. In the Judges Retirement System (37), the City is required to contribute 12.38% of the annual covered salary. The contribution rates are actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the board.

The City contributions to the Public Employees Contributory Retirement System for the years ending June 30, 2008, 2007, and 2006 were \$1,043,158, \$909,306, and \$736,749, respectively. The contributions were equal to the required contributions for each year.

For the Public Safety Noncontributory Retirement System, the contributions for June 30, 2008, 2007, and 2006, were \$506,763, \$431,483, and \$224,871, respectively, for the Fire Fighters Retirement System the contributions for June 30, 2008, 2007, and 2006, were \$247,640, \$205,041, and \$137,104, respectively, and for the Judges Retirement System, the contributions for June 30, 2008, 2007, and 2006, were \$106,420, \$97,684, and \$94,430. The contributions were equal to the required contributions for each year.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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

NOTE 12 - RESERVED FUND BALANCES

The City has reserved fund balance amounts for inventory, prepaid expenses, unspent grant proceeds, and providing perpetual maintenance care for the cemetery. The City has reserved net assets in the Water Fund and fund balance in the Capital Projects Fund for unspent impact fees. These fees will be used to construct appropriate projects as designated by the impact fee ordinance. The City has reserved net assets in the Water Fund and fund balance in the Debt Service fund for the Debt Service requirement of the bonds acquired. The City has also reserved fund balance in the Capital Projects fund for long-term receivables.

NOTE 13 - 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 participates in the Utah Risk Management Mutual Association (a public entity risk pool). All claims are submitted to the Utah Risk Management Mutual Association which acts as a commercial insurer. The Association is obligated to pay all claims covered by its plan. All claims are subject to a \$7,500 deductible. The deductible is accrued as a current liability when the claim is incurred. The Utah Risk Management Mutual Association covers claims up to \$6,000,000. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 14 - REDEVELOPMENT AGENCY

The Redevelopment Agency of South Jordan City is established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2007 the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$5,045,150
Tax increment paid to other taxing agencies	2,823,439
Outstanding loans to finance RDA projects	359,641
Amounts expended for installation of public utilities and other public improvements	559,816
Amounts expended for administrative costs	356,048

NOTE 15 - EQUITY IN JOINT VENTURE

Trans - Jordan Cities

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

A. Ownership

In accordance with the Utah Inter-local Cooperation Act (which created Trans-Jordan), all assets revert to the participating cities upon dissolution. Participant's share of these assets are based on each participating City's payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Member's participating interests are adjusted according to the above formula annually. As of June 30, 2008, these percentages are as follows:

Participating Cities	Fees & Charges For Ten Preceding Years	Percent
Midvale City, Utah	\$ 1,062,195	5.81%
Murray City, Utah	1,610,364	8.81%
Sandy City, Utah	5,827,323	31.89%
South Jordan City, Utah	2,022,790	11.07%
West Jordan City, Utah	4,639,241	25.39%
Draper City, Utah	1,514,378	8.29%
Riverton City, Utah	1,597,488	8.74%
Total	\$ 18,273,779	100.00%

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

NOTE 15 - EQUITY IN JOINT VENTURE (CONTINUED)

B. Management

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

C. Financial Summary

	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	\$ 23,167,676	\$ 2,564,662
Total Liabilities	\$ 4,510,700	\$ 499,334
Total Equity	\$ 18,656,976	\$ 2,065,327
Total Operating Revenues	5,496,165	\$ 608,425
Total Operating Expenses	5,602,604	\$ 620,208
Net Operating Income	(106,439)	\$ (11,783)
Total Non-operating Income (Expense)	1,367,601	\$ 151,393
Net Income	\$ 1,261,162	\$ 139,611

D. Debt

The joint venture has the following long-term debt:

	<u>Total Amount</u>	<u>South Jordan City's Share</u>
Closure and Post-closure Liability	\$4,017,000	\$424,195

E. Address

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

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

Required Supplementary Information



SOUTH JORDAN

CITY OF SOUTH JORDAN

General Fund

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property Tax - Current	\$ 5,164,531	\$ 5,164,531	\$ 5,547,637	\$ 383,106
Property Tax - Delinquent	110,000	110,000	156,822	46,822
Motor Vehicle Tax	375,000	375,000	561,031	186,031
Sales & Use Tax	7,049,281	7,313,944	7,174,379	(139,565)
Telecommunication Fee	783,500	813,418	843,014	29,596
Penalties & Interest	7,500	7,500	15,700	8,200
Energy Sales & Use Tax	2,199,320	2,199,320	2,260,516	61,196
Total Taxes	<u>15,689,132</u>	<u>15,983,713</u>	<u>16,559,099</u>	<u>575,386</u>
Licenses & Permits				
Building Permits	2,090,606	3,074,988	2,620,994	(453,994)
Business Licenses	114,490	114,490	139,845	25,355
Solid Waste License Fee	42,000	42,000	63,637	21,637
Innkeeper Fee	25,200	25,200	53,109	27,909
Miscellaneous	36,250	64,004	96,589	32,585
Total Licenses & Permits	<u>2,308,546</u>	<u>3,320,682</u>	<u>2,974,174</u>	<u>(346,508)</u>
Intergovernmental Revenues				
Federal Grants	244,312	246,812	114,650	(132,162)
State Grants	-	18,794	127,046	108,252
Class "C" Road Allotment	1,504,800	1,504,800	1,710,969	206,169
Liquor Fund Allotment	-	-	37,273	37,273
Total Intergovernmental	<u>1,749,112</u>	<u>1,770,406</u>	<u>1,989,938</u>	<u>219,532</u>
Charges for Services				
Ambulance Fees	531,218	531,218	565,345	34,127
Engineering Fees	263,000	794,610	488,407	(306,203)
Plan Check Fees	1,050,000	1,664,626	1,377,924	(286,702)
Zoning & Subdivision Fees	136,300	202,958	183,537	(19,421)
General Public Sanitation	173,310	173,310	188,603	15,293
Other Services	2,467,396	2,618,490	2,550,274	(68,216)
Total Charges for Services	<u>4,621,224</u>	<u>5,985,212</u>	<u>5,354,090</u>	<u>(631,122)</u>
Fines and Forfeitures				
	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,009,544</u>	<u>(190,456)</u>
Misc Revenue				
Investment Earnings	173,290	513,102	308,098	(205,004)
Sundry Revenue	46,725	51,825	64,076	12,251
Total Misc Revenue	<u>220,015</u>	<u>564,927</u>	<u>372,174</u>	<u>(192,753)</u>
Total Revenue	<u>25,788,029</u>	<u>28,824,940</u>	<u>28,259,019</u>	<u>(565,921)</u>

See accompanying notes.

CITY OF SOUTH JORDAN

General Fund

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
EXPENDITURES				
General Government				
General Administration	\$ 2,806,429	\$ 2,508,731	\$ 2,385,833	\$ 122,898
Finance	617,474	649,335	632,751	16,584
Facilities	1,112,065	1,215,908	1,098,376	117,532
Legal	526,905	518,472	514,421	4,051
Business Services	1,083,126	1,309,380	1,291,442	17,938
Government Services	1,788,003	1,635,475	1,463,923	171,552
Total General Government	7,934,002	7,837,301	7,386,746	450,555
Community Development				
Administration	413,329	413,998	393,425	20,573
Planning	371,574	379,932	362,457	17,475
Building	659,809	685,396	636,937	48,459
Engineering	1,374,235	1,377,113	1,312,217	64,896
Total Community Development	2,818,947	2,856,439	2,705,036	151,403
Public Works				
Administration	497,443	497,166	489,021	8,145
Streets and Roads	1,576,707	1,675,793	1,625,287	50,506
Total Public Works	2,074,150	2,172,959	2,114,308	58,651
Public Safety				
Police	4,907,016	4,844,270	4,785,460	58,810
Fire	4,018,961	3,995,667	3,877,700	117,967
Total Public Safety	8,925,977	8,839,937	8,663,160	176,777
Parks and Recreation				
Parks	1,303,185	1,421,745	1,276,320	145,425
Recreation	799,885	1,087,635	988,114	99,521
Total Finance & Administrative Services	2,103,070	2,509,380	2,264,434	244,946
Total Expenditures	23,856,146	24,216,016	23,133,684	1,082,332
Excess (Deficiency) of revenues				
Over Expenditures	1,931,883	4,608,924	5,125,335	516,411
OTHER FINANCING SOURCES (USES)				
Transfers In	205,324	572,378	571,072	(1,306)
Transfers Out	(2,137,207)	(4,559,608)	(5,074,713)	(515,105)
Sale of Capital Assets	-	-	-	-
Total Other Financing Sources (Uses)	(1,931,883)	(3,987,230)	(4,503,641)	(516,411)
Net Change in Fund Balance	-	621,694	621,694	-
Fund Balance - July 1	4,585,890	4,585,890	4,585,890	-
Fund Balance - June 30	\$ 4,585,890	\$ 5,207,584	\$ 5,207,584	\$ -

See accompanying notes.

CITY OF SOUTH JORDAN
 Redevelopment Agency Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 3,952,591	\$ 5,045,150	\$ 5,045,150	\$ -
Interest	-	64,725	58,779	(5,946)
Miscellaneous	-	7,469	20,603	13,134
Total Revenue	<u>3,952,591</u>	<u>5,117,344</u>	<u>5,124,532</u>	<u>7,188</u>
EXPENDITURES				
General Government	474,759	394,357	356,047	38,310
Capital Outlay & Projects	227,334	1,029,523	559,816	469,707
Tax Increment Distributions	2,465,093	2,738,604	2,769,047	(30,443)
Debt Service				
Principal Retirement	-	128,913	118,402	10,511
Interest and Fees	-	43,843	23,911	19,932
Total Expenditures	<u>3,167,186</u>	<u>4,335,240</u>	<u>3,827,223</u>	<u>508,017</u>
Excess (Deficiency) of revenues Over Expenditures	<u>785,405</u>	<u>782,104</u>	<u>1,297,309</u>	<u>515,205</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	587,022	643,499	56,477
Transfers Out	(879,586)	(1,869,214)	(1,547,010)	322,204
Total Other Financing Sources (Uses)	<u>(879,586)</u>	<u>(1,282,192)</u>	<u>(903,511)</u>	<u>378,681</u>
Net Change in Fund Balance	(94,181)	(500,088)	393,798	893,886
Fund Balance - July 1	772,407	772,407	772,407	-
Fund Balance - June 30	<u>\$ 678,226</u>	<u>\$ 272,319</u>	<u>\$ 1,166,205</u>	<u>\$ 893,886</u>

See accompanying notes.

CITY OF SOUTH JORDAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2008

1. **BUDGETARY INFORMATION**

Budgets for the general fund and the redevelopment agency are adopted and presented on a basis consistent with generally accepted accounting principles.

Supplementary Information



SOUTH JORDAN

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The Special Revenue Funds of the City are as follows:

- 1) **Glenmoor Special Services District** - This fund is used to account for the activities of the Special Services District. The District is an entity established to provide and maintain recreation services and facilities for City citizens residing within the District.
- 2) **Historical Preservation** - This fund is used to account for activities associated with printing and distribution of a historical publication of the City.
- 3) **Parkway Care** - This fund is used to account for funds set aside for expenditures related to special roadside improvements in selected areas of the City.
- 4) **Street Lighting** - This fund is used to track revenue from a monthly fee paid by City residents for maintenance and installation of City street lights.
- 5) **Storm Drain** - This fund is used to track revenue from a monthly fee paid by City residents for the maintenance of the City's storm drain system.
- 6) **Recreation Programs** - This fund is used to track revenue and expenditures dealing with the City's sports and recreation programs.
- 7) **CDBG Fund** - This fund is used to account for the revenues received by the City as a grantee participant in the Community Development Grant Program.
- 8) **Risk Management Fund** - This fund is used to account for revenues transferred and accumulated to pay future risks and workers compensation claims.
- 9) **Public Arts Fund** - This fund is used to account for revenues transferred and accumulated to pay future public art related projects.
- 10) **Recreation Center Fund** - This fund is used to account for fees charged to users and expenditures dealing with maintenance of the facility.

NONMAJOR GOVERNMENTAL FUNDS

continued

Debt Service Fund

The Municipal Building Authority is presented as a debt service fund. The authority uses the proceeds of its tax exempt bonds to finance the construction or acquisition of general capital assets for the City.

1) **Municipal Building Authority (MBA)**

This fund is used to account for the construction of capital facilities of the City.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- 1) **Cemetery Perpetual Care Fund** - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

CITY OF SOUTH JORDAN
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	Special Revenue					
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation
ASSETS						
Cash & Cash Equivalents	\$ 665	\$ 97,388	\$ 1,349,485	\$ 211,399	\$ 290,324	\$ 72,942
Restricted for Debt Services	-	-	-	-	-	-
Receivables						
Accounts Receivable	-	-	-	1,615	112,482	-
Other Receivables	-	-	-	-	-	-
Total Assets	<u>\$ 665</u>	<u>\$ 97,388</u>	<u>\$ 1,349,485</u>	<u>\$ 213,014</u>	<u>\$ 402,806</u>	<u>\$ 72,942</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and Accrued Liabilities	-	7,510	-	7,982	31,228	5,529
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>7,510</u>	<u>-</u>	<u>7,982</u>	<u>31,228</u>	<u>5,529</u>
FUND BALANCES						
Reserved for Perpetual Care	-	-	-	-	-	-
Reserved for Debt Services	-	-	-	-	-	-
Unreserved Fund Balance	665	89,878	1,349,485	205,032	371,578	67,413
Total Fund Balances	<u>665</u>	<u>89,878</u>	<u>1,349,485</u>	<u>205,032</u>	<u>371,578</u>	<u>67,413</u>
Total Liabilities and Fund Balances	<u>\$ 665</u>	<u>\$ 97,388</u>	<u>\$ 1,349,485</u>	<u>\$ 213,014</u>	<u>\$ 402,806</u>	<u>\$ 72,942</u>

CDBG	Special Revenue			Debt Service	Permanent	Total
	Risk Management	Public Arts	Rec Center	MBA	Cemetery	
\$ 20	\$ 146,473	\$ 238,751	\$ 241,021	\$ 194,760	\$ 488,389	\$ 3,331,617
-	-	-	-	726,853	-	726,853
-	-	5,871	11,773	-	-	131,741
-	-	-	-	-	-	-
<u>\$ 20</u>	<u>\$ 146,473</u>	<u>\$ 244,622</u>	<u>\$ 252,794</u>	<u>\$ 921,613</u>	<u>\$ 488,389</u>	<u>\$ 4,190,211</u>
20	-	4,090	56,431	-	-	\$ 112,790
-	-	-	-	-	-	-
<u>20</u>	<u>-</u>	<u>4,090</u>	<u>56,431</u>	<u>-</u>	<u>-</u>	<u>112,790</u>
-	-	-	-	-	313,629	313,629
-	-	-	-	726,853	-	726,853
-	146,473	240,532	196,363	194,760	174,760	3,036,939
-	146,473	240,532	196,363	921,613	488,389	4,077,421
<u>\$ 20</u>	<u>\$ 146,473</u>	<u>\$ 244,622</u>	<u>\$ 252,794</u>	<u>\$ 921,613</u>	<u>\$ 488,389</u>	<u>\$ 4,190,211</u>

CITY OF SOUTH JORDAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue					
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation
REVENUES						
Intergovernmental	\$ -	\$ 6,466	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	8,265	-	16,788	828,120	130,018
Interest	-	1,428	58,725	-	-	-
Other Revenue	-	2,229	-	-	-	-
Total Revenues	-	18,388	58,725	16,788	828,120	130,018
EXPENDITURES						
Current						
General Government	-	113,224	-	-	-	-
Public Works	-	-	-	555,262	530,515	-
Community Development	-	-	-	-	-	122,157
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-
Capital Outlay & Projects	-	-	-	-	194,789	-
Total Expenditures	-	113,224	-	555,262	725,304	122,157
Excess (Deficiency) of Revenues over Expenditures	-	(94,836)	58,725	(538,474)	102,816	7,861
Othr Financing Sources (Uses)						
Transfers In	-	114,242	45,000	653,910	-	-
Transfers Out	-	(29)	(40,000)	(45,029)	(2,585)	-
Total Other Financing Sources (Uses)	-	114,213	5,000	608,881	(2,585)	-
Net Change in Fund Balance	-	19,377	63,725	70,407	100,231	7,861
Fund Balances - July 1	665	70,501	1,285,760	134,625	271,347	59,552
Fund Balances - June 30	\$ 665	\$ 89,878	\$ 1,349,485	\$ 205,032	\$ 371,578	\$ 67,413

CDBG	Special Revenue			Debt Service	Permanent	Total
	Risk Management	Public Arts	Rec Center	MBA	Cemetery	
\$ 37,894	\$ -	\$ 6,271	\$ -	\$ -	\$ -	\$ 50,631
-	71,472	-	906,891	-	17,156	1,978,710
-	-	-	8,241	36,709	21,037	126,140
-	-	44,891	-	-	-	47,120
<u>37,894</u>	<u>71,472</u>	<u>51,162</u>	<u>915,132</u>	<u>36,709</u>	<u>38,193</u>	<u>2,202,601</u>
37,894	454,794	188,798	1,156,624	-	-	1,951,334
-	-	-	-	-	-	1,085,777
-	-	-	-	-	-	122,157
-	-	-	-	350,000	-	350,000
-	-	-	-	373,982	-	373,982
-	-	-	131,730	-	-	326,519
<u>37,894</u>	<u>454,794</u>	<u>188,798</u>	<u>1,288,354</u>	<u>723,982</u>	<u>-</u>	<u>4,209,769</u>
-	(383,322)	(137,636)	(373,222)	(687,273)	38,193	(2,007,168)
-	420,302	313,309	430,000	722,233	-	2,698,996
(20,567)	-	-	(871)	-	(21,037)	(130,118)
<u>(20,567)</u>	<u>420,302</u>	<u>313,309</u>	<u>429,129</u>	<u>722,233</u>	<u>(21,037)</u>	<u>2,568,878</u>
(20,567)	36,980	175,673	55,907	34,960	17,156	561,710
20,567	109,493	64,859	140,456	886,653	471,233	3,515,711
<u>\$ -</u>	<u>\$ 146,473</u>	<u>\$ 240,532</u>	<u>\$ 196,363</u>	<u>\$ 921,613</u>	<u>\$ 488,389</u>	<u>\$ 4,077,421</u>

CITY OF SOUTH JORDAN

Debt Service Fund

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Special Assessments	\$ 805,806	\$ 805,806	\$ 785,888	\$ (19,918)
Interest	53,000	54,500	91,360	36,860
Miscellaneous	149,601	149,601	148,066	(1,535)
Total Revenue	<u>1,008,407</u>	<u>1,009,907</u>	<u>1,025,314</u>	<u>15,407</u>
EXPENDITURES				
Debt Service				
Principal	1,957,372	7,662,372	7,662,349	23
Other	21,350	21,350	21,350	-
Interest and Fees	1,151,970	1,397,470	1,392,930	4,540
Total Expenditures	<u>3,130,692</u>	<u>9,081,192</u>	<u>9,076,629</u>	<u>4,563</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(2,122,285)</u>	<u>(8,071,285)</u>	<u>(8,051,315)</u>	<u>19,970</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long Term Debt	-	5,770,000	5,770,000	-
Transfers In	2,122,285	2,122,285	2,122,285	-
Total Other Financing Sources (Uses)	<u>2,122,285</u>	<u>7,892,285</u>	<u>7,892,285</u>	<u>-</u>
Net Change in Fund Balance	-	(179,000)	(159,030)	19,970
Fund Balance - July 1	1,166,412	1,166,412	1,166,412	-
Fund Balance - June 30	<u>\$ 1,166,412</u>	<u>\$ 987,412</u>	<u>\$ 1,007,382</u>	<u>\$ 19,970</u>

CITY OF SOUTH JORDAN

Construction

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ -	\$ -	\$ 410,753	\$ 410,753
Impact Fees	1,000,000	1,010,798	2,463,789	1,452,991
Miscellaneous	-	1,432,594	1,624,386	191,792
Total Revenue	<u>1,000,000</u>	<u>2,443,392</u>	<u>4,498,928</u>	<u>2,055,536</u>
EXPENDITURES				
Capital Outlay				
Road and Bridge	500,000	4,357,597	3,094,259	1,263,338
Parks	600,000	3,601,071	2,252,405	1,348,666
Storm Drain	-	708,204	556,189	152,015
Facilities	2,716,200	6,714,992	5,253,659	1,461,333
Other Projects	1,383,335	1,985,769	1,634,564	351,205
Total Expenditures	<u>5,199,535</u>	<u>17,367,633</u>	<u>12,791,076</u>	<u>4,576,557</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(4,199,535)</u>	<u>(14,924,241)</u>	<u>(8,292,148)</u>	<u>6,632,093</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long Term Debt	630,000	630,000	610,000	(20,000)
Sale of Capital Assets	-	-	76,375	76,375
Transfers In	369,459	4,805,396	5,261,069	455,673
Transfers Out	(2,836,196)	(2,840,998)	(2,840,818)	180
Total Other Financing Sources (Uses)	<u>(1,836,737)</u>	<u>2,594,398</u>	<u>3,106,626</u>	<u>512,228</u>
Net Change in Fund Balance	(6,036,272)	(12,329,843)	(5,185,522)	7,144,321
Fund Balance - July 1	14,850,991	14,850,991	14,850,991	-
Fund Balance - June 30	<u>\$ 8,814,719</u>	<u>\$ 2,521,148</u>	<u>\$ 9,665,469</u>	<u>\$ 7,144,321</u>

CITY OF SOUTH JORDAN
 Glenmoor Special Improvement District
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	-	\$ -
Total Revenue	-	-	-	-
EXPENDITURES				
General Government	-	665	-	665
Capital Outlay & Projects	-	-	-	-
Total Expenditures	-	665	-	665
Excess (Deficiency) of revenues Over Expenditures	-	(665)	-	665
Net Change in Fund Balance	-	(665)	-	665
Fund Balance - July 1	665	665	665	-
Fund Balance - June 30	\$ 665	\$ -	\$ 665	\$ 665

CITY OF SOUTH JORDAN

Historical Preservation

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 6,589	\$ 6,466	\$ (123)
Charges for Services	-	-	8,265	8,265
Interest	-	-	1,428	1,428
Other Revenue	-	-	2,229	2,229
Total Revenue	<u>-</u>	<u>6,589</u>	<u>18,388</u>	<u>11,799</u>
EXPENDITURES				
General Government	140,233	120,802	113,224	7,578
Total Expenditures	<u>140,233</u>	<u>120,802</u>	<u>113,224</u>	<u>7,578</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(140,233)</u>	<u>(114,213)</u>	<u>(94,836)</u>	<u>19,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	140,262	114,242	114,242	-
Transfers Out	(29)	(29)	(29)	-
Total Other Financing Sources (Uses)	<u>140,233</u>	<u>114,213</u>	<u>114,213</u>	<u>-</u>
Net Change in Fund Balance	-	-	19,377	19,377
Fund Balance - July 1	70,501	70,501	70,501	-
Fund Balance - June 30	<u>\$ 70,501</u>	<u>\$ 70,501</u>	<u>\$ 89,878</u>	<u>\$ 19,377</u>

CITY OF SOUTH JORDAN

Parkway Care

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 40,000	\$ 40,000	\$ 58,725	\$ 18,725
Total Revenue	<u>40,000</u>	<u>40,000</u>	<u>58,725</u>	<u>18,725</u>
EXPENDITURES	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>40,000</u>	<u>40,000</u>	<u>58,725</u>	<u>18,725</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	45,000	45,000	45,000	-
Transfers Out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balance	45,000	45,000	63,725	18,725
Fund Balance - July 1	<u>1,285,760</u>	<u>1,285,760</u>	<u>1,285,760</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,330,760</u>	<u>\$ 1,330,760</u>	<u>\$ 1,349,485</u>	<u>\$ 18,725</u>

CITY OF SOUTH JORDAN

Street Lighting

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ 16,783	\$ 16,788	\$ 5
Total Revenue	<u>-</u>	<u>16,783</u>	<u>16,788</u>	<u>5</u>
EXPENDITURES				
Public Works	603,098	619,881	555,262	64,619
Capital Outlay & Projects	-	-	-	-
Total Expenditures	<u>603,098</u>	<u>619,881</u>	<u>555,262</u>	<u>64,619</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(603,098)</u>	<u>(603,098)</u>	<u>(538,474)</u>	<u>64,624</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	653,910	653,910	653,910	-
Transfers Out	(45,029)	(45,029)	(45,029)	-
Total Other Financing Sources (Uses)	<u>608,881</u>	<u>608,881</u>	<u>608,881</u>	<u>-</u>
Net Change in Fund Balance	5,783	5,783	70,407	64,624
Fund Balance - July 1	134,625	134,625	134,625	-
Fund Balance - June 30	<u>\$ 140,408</u>	<u>\$ 140,408</u>	<u>\$ 205,032</u>	<u>\$ 64,624</u>

CITY OF SOUTH JORDAN

Storm Drain

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 777,604	\$ 777,604	\$ 828,120	\$ 50,516
Miscellaneous	-	-	-	-
Total Revenue	<u>777,604</u>	<u>777,604</u>	<u>828,120</u>	<u>50,516</u>
EXPENDITURES				
Public Works	760,019	572,894	530,515	42,379
Capital Outlay	15,000	202,125	194,789	7,336
Total Expenditures	<u>775,019</u>	<u>775,019</u>	<u>725,304</u>	<u>49,715</u>
Excess (Deficiency) of revenues Over Expenditures	<u>2,585</u>	<u>2,585</u>	<u>102,816</u>	<u>100,231</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(2,585)</u>	<u>(2,585)</u>	<u>(2,585)</u>	-
Total Other Financing Sources (Uses)	<u>(2,585)</u>	<u>(2,585)</u>	<u>(2,585)</u>	-
Net Change in Fund Balance	-	-	100,231	100,231
Fund Balance - July 1	<u>271,347</u>	<u>271,347</u>	<u>271,347</u>	-
Fund Balance - June 30	<u>\$ 271,347</u>	<u>\$ 271,347</u>	<u>\$ 371,578</u>	<u>\$ 100,231</u>

CITY OF SOUTH JORDAN
 Recreation Programs
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 98,600	\$ 98,600	\$ 130,018	\$ 31,418
Total Revenue	<u>98,600</u>	<u>98,600</u>	<u>130,018</u>	<u>31,418</u>
EXPENDITURES				
General Government	95,830	123,882	122,157	1,725
Total Expenditures	<u>95,830</u>	<u>123,882</u>	<u>122,157</u>	<u>1,725</u>
Excess (Deficiency) of revenues Over Expenditures	<u>2,770</u>	<u>(25,282)</u>	<u>7,861</u>	<u>33,143</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,770	(25,282)	7,861	33,143
Fund Balance - July 1	59,552	59,552	59,552	-
Fund Balance - June 30	<u>\$ 62,322</u>	<u>\$ 34,270</u>	<u>\$ 67,413</u>	<u>\$ 33,143</u>

CITY OF SOUTH JORDAN
Community Development Block Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 59,000	\$ 59,000	\$ 37,894	\$ (21,106)
Total Revenue	<u>59,000</u>	<u>59,000</u>	<u>37,894</u>	<u>(21,106)</u>
EXPENDITURES				
General Government	59,000	59,000	37,894	21,106
Total Expenditures	<u>59,000</u>	<u>59,000</u>	<u>37,894</u>	<u>21,106</u>
Excess (Deficiency) of revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(20,567)	(20,567)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(20,567)</u>	<u>(20,567)</u>	<u>-</u>
Net Change in Fund Balance	-	(20,567)	(20,567)	-
Fund Balance - July 1	20,567	20,567	20,567	-
Fund Balance - June 30	<u>\$ 20,567</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH JORDAN
 Risk Management
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ -	\$ 20,000	\$ 71,472	\$ 51,472
Interest	-	-	-	-
Total Revenue	<u>-</u>	<u>20,000</u>	<u>71,472</u>	<u>51,472</u>
EXPENDITURES				
General Government	420,302	465,302	454,794	10,508
Capital Outlay	-	-	-	-
Total Expenditures	<u>420,302</u>	<u>465,302</u>	<u>454,794</u>	<u>10,508</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(420,302)</u>	<u>(445,302)</u>	<u>(383,322)</u>	<u>61,980</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	420,302	420,302	420,302	-
Total Other Financing Sources (Uses)	<u>420,302</u>	<u>420,302</u>	<u>420,302</u>	<u>-</u>
Net Change in Fund Balance	-	(25,000)	36,980	61,980
Fund Balance - July 1	109,493	109,493	109,493	
Fund Balance - June 30	<u>\$ 109,493</u>	<u>\$ 84,493</u>	<u>\$ 146,473</u>	<u>\$ 61,980</u>

CITY OF SOUTH JORDAN

Public Arts

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Inter-governmental	\$ -	\$ 6,271	\$ 6,271	\$ -
Miscellaneous	500	4,000	44,891	40,891
Total Revenue	<u>-</u>	<u>10,271</u>	<u>51,162</u>	<u>40,891</u>
EXPENDITURES				
General Government	33,311	264,328	188,798	75,530
Total Expenditures	<u>33,311</u>	<u>264,328</u>	<u>188,798</u>	<u>75,530</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(33,311)</u>	<u>(254,057)</u>	<u>(137,636)</u>	<u>116,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	32,811	254,057	313,309	59,252
Total Other Financing Sources (Uses)	<u>32,811</u>	<u>254,057</u>	<u>313,309</u>	<u>59,252</u>
Net Change in Fund Balance	(500)	-	175,673	175,673
Fund Balance - July 1	64,859	64,859	64,859	-
Fund Balance - June 30	<u>\$ 64,359</u>	<u>\$ 64,859</u>	<u>\$ 240,532</u>	<u>\$ 175,673</u>

CITY OF SOUTH JORDAN

Recreation Center

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

For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 908,672	\$ 858,056	\$ 906,891	\$ 48,835
Interest	-	6,791	8,241	1,450
Total Revenue	<u>908,672</u>	<u>864,847</u>	<u>915,132</u>	<u>50,285</u>
EXPENDITURES				
General Government	1,157,801	1,118,812	1,156,624	(37,812)
Capital Outlay	-	191,588	131,730	59,858
Total Expenditures	<u>1,157,801</u>	<u>1,310,400</u>	<u>1,288,354</u>	<u>22,046</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(249,129)</u>	<u>(445,553)</u>	<u>(373,222)</u>	<u>72,331</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	250,000	430,000	430,000	-
Transfers Out	(871)	(871)	(871)	-
Total Other Financing Sources (Uses)	<u>249,129</u>	<u>429,129</u>	<u>429,129</u>	<u>-</u>
Net Change in Fund Balance	-	(16,424)	55,907	72,331
Fund Balance - July 1	140,456	140,456	140,456	-
Fund Balance - June 30	<u>\$ 140,456</u>	<u>\$ 124,032</u>	<u>\$ 196,363</u>	<u>\$ 72,331</u>

CITY OF SOUTH JORDAN
Municipal Building Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 2,000	\$ 2,000	\$ 36,709	\$ 34,709
Total Revenue	<u>2,000</u>	<u>2,000</u>	<u>36,709</u>	<u>34,709</u>
EXPENDITURES				
General Government	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	350,000	350,000	350,000	-
Interest and Fees	374,233	374,233	373,982	251
Total Expenditures	<u>724,233</u>	<u>724,233</u>	<u>723,982</u>	<u>251</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(722,233)</u>	<u>(722,233)</u>	<u>(687,273)</u>	<u>34,960</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	722,233	722,233	722,233	-
Total Other Financing Sources (Uses)	<u>722,233</u>	<u>722,233</u>	<u>722,233</u>	<u>-</u>
Net Change in Fund Balance	-	-	34,960	34,960
Fund Balance - July 1	886,653	886,653	886,653	-
Fund Balance - June 30	<u>\$ 886,653</u>	<u>\$ 886,653</u>	<u>\$ 921,613</u>	<u>\$ 34,960</u>

CITY OF SOUTH JORDAN
 Cemetery Perpetual Care
 Schedule of Revenues, Expenditures, and Changes in Fund Balance -
 Budget and Actual
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 20,000	\$ 20,000	\$ 17,156	\$ (2,844)
Interest	8,000	22,343	21,037	(1,306)
Total Revenue	<u>28,000</u>	<u>42,343</u>	<u>38,193</u>	<u>(4,150)</u>
EXPENDITURES				
	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>28,000</u>	<u>42,343</u>	<u>38,193</u>	<u>(4,150)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(8,000)</u>	<u>(22,343)</u>	<u>(21,037)</u>	<u>1,306</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(22,343)</u>	<u>(21,037)</u>	<u>1,306</u>
Net Change in Fund Balance	20,000	20,000	17,156	(2,844)
Fund Balance - July 1	<u>471,233</u>	<u>471,233</u>	<u>471,233</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 491,233</u>	<u>\$ 491,233</u>	<u>\$ 488,389</u>	<u>\$ (2,844)</u>

**City of South Jordan
Impact Fee Revenues
as of June 30, 2008**

	Road	Parks	Storm Drain	Police	Fire	Culinary
Alexander Place LLC			15,763.00			
America First Credit Union			2,857.40			
Aspen Crest	1,879.97	4,346.00		323.45		3,194.00
Bison Ridge	18,799.70	43,460.00		3,234.50		31,940.00
Building Permit			845.47			
Chateau Flats	1,879.97	4,346.00		323.45		3,194.00
Chick-Fil-A	19,873.94	755.10		1,269.66		8,518.00
Copper Ridge Bldg "D"		1,794.00		1,747.92		5,324.00
Cracar Construction			17,311.00			
Crescent Ridge	1,879.97	4,346.00		323.45		3,194.00
David Allred			2,866.00			
Daybreak				23,255.46	31,395.20	
Daybreak 11 Church				2,009.36		35,792.81
Daybreak 12 Church	30,739.43			1,969.40		27,683.00
Frank, Tom			3,038.00			
Fruitwood Heights	1,879.97	4,346.00		323.45		3,194.00
Garbett Construction			19,152.04			
Harvest Crossing	5,639.91	13,038.00		970.35		9,582.00
Heatherwood Village	9,399.85	21,730.00		1,617.25		15,970.00
High Ridge	1,879.97	4,346.00		323.45		3,194.00
Ivory Crossing	4,905.70	65,190.00		4,851.75		47,910.00
Japheth, LLC			4,958.18			
Johansen Subdivision	1,879.97	4,346.00	(1,433.00)	323.45		3,194.00
Johnson, Kraig			1,046.00			
Jones Farm West	5,639.91	13,038.00		970.35		9,582.00
Jordan Gateway Office	56,216.65	7,640.00	14,602.27	10,389.93	4,452.83	22,360.00
Jordan Heights	40,419.36	89,628.00		2,917.10		73,462.00
Jordan River Plaza	56,000.00	3,230.00		4,515.46		21,294.00
J&J Investment Properties			38,103.47			
KGL Development Corp			10,647.19			
King Benjamin	3,759.94	8,692.00		646.90		6,388.00
LDS Temple	56,000.00			5,879.65		37,265.00
Lodge Assisted Living				14,116.49	6,049.92	10,648.00
Lucas Dell	1,879.97	4,346.00		323.45		3,194.00
Majestic Heights	3,759.94	8,692.00		646.90		6,388.00
Midas Creek	15,039.76	34,768.00		2,587.60		25,552.00
Nelson Farms	9,399.85	21,730.00		1,617.25		12,776.00
Noah's Center	14,097.47	5,356.26		3,722.89		15,971.00
Oak Hills	1,879.97	4,346.00		323.45		3,194.00
Oquirrh Park/SFD	7,519.88	17,384.00		1,293.80		12,776.00
Oquirrh Park/Townhomes	11,466.00	33,748.00		2,701.27		41,522.00
Palomino Cove	1,879.97	4,346.00		323.45		3,194.00
Parkway Office Condo (1)	5,424.47	1,843.00				5,324.00
Parkway Office Condo (2)	6,004.29	2,040.00		2,578.18		10,648.00
Petcare Animal Hospital	26,056.42	990.00		3,873.53		11,292.00
Petersen Place	3,759.94	8,692.00		646.90		6,388.00
Pinnacle Apartments	60,858.00	330,991.18		10,145.03	17,205.09	238,504.00
Pinnacles Clubhouse/Off	6,810.75	231.40		1,456.60		10,647.00
Rio Tinto Dist. Center	156,192.53	23,840.00		23,927.55	23,111.81	39,396.00
Riverpark Bldg 12				5,462.25		
Riverpark Bldg 14				5,243.76		
Riverpark Retail 6				2,560.83		
Rochelle Land, LC			31,526.00			
Royal Meadows	5,639.91	13,038.00		970.35		9,582.00
S.J. High Point	5,263.92	11,400.00		831.16		12,776.00
Sam's Club	172,482.33	5,555.52			18,749.88	40,555.30
San Tropez Apartments, LLC			18,106.18			
Sand Dunes	2,631.96	5,700.00		415.50		6,388.00
South Ridge	1,879.97	4,346.00		323.45		3,194.00
South Valley Sewer District			1,433.00			
Summerlane @ District		145,376.00			11,636.24	
Sunstone Village	7,519.88	17,384.00		1,293.80		12,776.00
Temple Shadow	1,879.97	4,346.00		323.45		3,194.00
The Bluffs at Oquirrh Park Properties			7,594.90			
The Church of Jesus Christ of LDS			6,634.79			
The Groves	11,279.82	26,076.00		1,940.70		19,164.00
Ultradent		4,912.60	5,035.56	1,102.67	5,907.11	34,072.00
Village @ Riverwalk				323.45		3,194.00
Villas @ Sterling Vlg	15,039.76	34,768.00		2,587.60		25,552.00
Wal-Mart Stores, Inc.			25,407.09			
Welby Estates	1,879.97	4,346.00		323.45		3,194.00
Y Worry Estates	1,879.97	4,346.00		323.45		3,194.00
	\$878,080.88	\$1,079,209.06	\$225,494.54	\$162,495.93	\$118,508.08	\$1,006,484.11

City of South Jordan
Impact Fee Budgeted Expenditures
as of June 30, 2008

	Completion Date (Est)	Road & Bridge	Parks	Storm Drain	Police	Fire	Culinary Water
Impact Fees Collected FY 05							\$ -
Impact Fees Collected FY 06		105,997	-	447,066	-	-	-
Impact Fees Collected FY 07		1,781,657	1,662,351	523,117	298,614	244,964	1,315,898
Impact Fees Collected FY 08		878,081	1,079,209	225,495	162,496	118,508	1,006,484
Interest Earned		139,474	109,155	75,773	38,175	48,176	479,438
Total Funds Collected		\$ 2,905,209	\$ 2,850,715	\$ 1,271,451	\$ 499,285	\$ 411,648	\$ 2,801,820
Budgeted Capital Projects							
Peterson Development Reimbursement	Jun-09	10,798					
Boyer Jordan Valley Tech Center Reimb	Jun-09	18,013					
Riverfront Parkway Traffic Signal	Oct-07	100,000					
1300 West EIS	Apr-08	42,055					
40000 W Connection	Sep-07	367,459					
104th So Road (Costco)	Dec-07	429,152					
114th So 40th West Traffic Signal	Nov-07	125,000					
104th So 40th West Traffic Signal	Nov-07	124,576					
Beckstead Lane ROW	Jun-09	1,500					
Clarence Ellefsen Property	Jun-09	11,169					
Oquirrh Shadows	Nov-07		87,354				
River Front parkway Phase II	Jun-07		95				
Museum	Jun-09		21,330				
Sun Deck Restrooms	Nov-07		4,714				
Jordan River Trail Grant Match	Oct-07		1,800				
Park Impact Fee Study	Dec-07		4,936				
Ivory Crossing Park	Nov-07		269,434	140,000			
Midas Creek 2700 W	Nov-07			240,379			
Storm Drain Impact Fee Study	Nov-07			10,000			
Oquirrh Shadow Storm Drain	Nov-07			85,000			
Public Safety Complex	TBD				196,945		
Boyer Jordan Valley Tech Center Reimb	Jun-09						54,873
10400 S Betterments	Nov-09						15,062
Water Master Plan Update	Nov-07						1,103
Redwood Rd Betterments	May-07						157,949
Tank 3B	Sep-07						9,225
River Heights Drive	May-09						51,278
Public Services Building	Aug-07	1,250,000	1,461,052	482,863	171,418	175,000	972,385
Reserved for Fire Station	Jun-08					155,000	
Reserved for Boyer Jordan Heights Agrmt		32,148					
Reserved for 10400 South UDOT				170,000			1,242,878
Reserved for 1300 W Widening				102,934			
Transfer to Debt Service	Jun-08	393,339		40,275	119,185	81,648	297,067
Transfer to Mulligans			1,000,000				
		\$ 2,905,209	\$ 2,850,715	\$ 1,271,451	\$ 499,285	\$ 411,648	\$ 2,801,820

Capital Assets Used In The Operation Of Governmental Funds



SOUTH JORDAN

CITY OF SOUTH JORDAN
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule by Source
 June 30, 2008

	2007	2008
General Capital Assets		
Land	\$ 33,803,343	\$ 46,223,032
Buildings and Structures	19,261,969	19,261,969
Improvements Other than Buildings and Structures	9,549,334	16,077,195
Machinery and Equipment	10,270,235	11,722,644
Infrastructure	134,410,952	142,070,527
Construction in Progress	3,926,566	7,951,302
Total governmental funds capital assets	\$ 211,222,399	\$ 243,306,669
Investment in Capital Assets		
General Fund	206,438,490	234,489,337
Glenmoor Special Service Fund	437,093	445,637
Capital Projects Fund	3,926,566	7,951,444
Street Lighting Fund	19,250	19,250
Parkway Care Fund	-	-
Redevelopment Agency Fund	401,000	401,000
Total Investment in Capital Assets	\$ 211,222,399	\$ 243,306,669

CITY OF SOUTH JORDAN
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2008

<u>Function and Activity</u>	Land	Building and Structure	Improvements other Than Building and Structure	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Administration	\$ 4,449,881	\$ 5,846,075	\$ 548,513	\$ 2,548,121	\$ 103,706	\$ 5,206,430	\$ 18,702,726
Parkway	-	-	-	-	-	-	-
Building and Planning	-	-	-	256,618	-	-	256,618
Engineering	-	-	-	77,083	-	-	77,083
Fleet Management	-	-	-	482,224	-	-	482,224
Total General Government	<u>4,449,881</u>	<u>5,846,075</u>	<u>548,513</u>	<u>3,364,047</u>	<u>103,706</u>	<u>5,206,430</u>	<u>19,518,651</u>
Public Safety							
Police Protection	703,250	52,443	3,365	1,633,223	-	246,945	2,639,226
Fire Protection	113,731	2,687,832	-	2,877,683	-	-	5,679,246
Total Public Safety	<u>816,981</u>	<u>2,740,275</u>	<u>3,365</u>	<u>4,510,905</u>	<u>-</u>	<u>246,945</u>	<u>8,318,472</u>
Public Works							
Streets and Roads	36,678,404	72,749	6,188,254	1,880,799	121,322,466	2,033,215	168,175,886
Storm Drain	-	-	695,085	753,583	17,816,055	-	19,264,723
Total Public Works	<u>36,678,404</u>	<u>72,749</u>	<u>6,883,339</u>	<u>2,634,382</u>	<u>139,138,521</u>	<u>2,033,215</u>	<u>187,440,609</u>
Parks and Public Property							
Parks	3,879,990	315,256	6,834,406	817,774	2,750,619	464,712	15,062,757
Cemetery	17,995	2,362	100,134	-	-	-	120,491
Recreation	-	10,285,251	-	360,786	70,949	-	10,716,987
Total Parks & Public Property	<u>3,897,985</u>	<u>10,602,870</u>	<u>6,934,540</u>	<u>1,178,561</u>	<u>2,821,569</u>	<u>464,712</u>	<u>25,900,235</u>
Museum	-	-	1,262,813	-	-	-	1,262,813
Street Lighting Fund	-	-	-	19,250	-	-	19,250
Glenmoor Speical Service District	93,379	-	345,527	-	6,732	-	445,637
Redevelopment Agency	286,402	-	99,098	15,500	-	-	401,000
Total General Capital Assets	<u>\$ 46,223,032</u>	<u>\$ 19,261,969</u>	<u>\$ 16,077,195</u>	<u>\$ 11,722,644</u>	<u>\$ 142,070,527</u>	<u>\$ 7,951,302</u>	<u>\$ 243,306,669</u>

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity June 30, 2008

<u>Function and Activity</u>	General Capital Assets			
	July 1, 2007	Additions	Deletions	June 30, 2008
General Government				
Administration	\$ 13,182,735	\$ 7,215,422	\$ 1,695,431	\$ 18,702,726
Parkway	-			-
Building and Planning	269,850	18,442	31,674	256,618
Engineering	128,357	-	51,274	77,083
Economic Development	-			-
Fleet Management	470,720	29,726	18,222	482,224
Total General Government	14,051,662	7,263,590	1,796,601	19,518,651
Public Safety				
Police Protection	2,422,830	318,063	101,667	2,639,226
Fire Protection	5,313,368	385,878	20,000	5,679,246
Total Public Safety	7,736,198	703,941	121,667	8,318,472
Public Works				
Streets and Roads	143,830,666	25,333,567	988,347	168,175,886
Storm Drain	18,327,832	1,214,529	277,638	19,264,723
Total Public Works	162,158,498	26,548,096	1,265,985	187,440,609
Parks and Public Property				
Parks	14,286,699	1,617,483	841,426	15,062,757
Cemetery	120,491	-	-	120,491
Recreation	10,770,027	17,437	70,477	10,716,987
Total Parks & Public Property	25,177,217	1,634,920	911,903	25,900,235
Museum	1,241,481	21,332	-	1,262,813
Street Lighting	19,250	-	-	19,250
Glenmoor Special Service District	437,093	8,544	-	445,637
Redevelopment Agency	401,000	-	-	401,000
Total General Capital Assets	\$ 211,222,399	\$ 36,180,423	\$ 4,096,156	\$ 243,306,669

Statistical Section

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

<u>Contents</u>	<u>Page</u>
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.	106
Revenue Capacity These schedules contain information to help the reader assess the city's most significant local revenue sources, property tax, sales tax, and water revenue.	115
Debt Capacity These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the government's ability to issue additional debt in the future.	120
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	125
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.	128

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



CITY OF SOUTH JORDAN

Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 65,340,150	\$ 79,256,640	\$ 106,761,733	\$ 128,667,115	\$ 164,633,436
Restricted	7,371,459	5,526,916	5,171,176	5,546,107	6,817,249
Unrestricted	19,984,755	19,746,624	23,783,914	32,840,701	19,494,046
Total government activities net assets	<u>92,696,364</u>	<u>104,530,180</u>	<u>135,716,823</u>	<u>167,053,923</u>	<u>190,944,731</u>
Business-type activities					
Invested in capital assets, net of related debt	35,170,815	40,959,558	50,171,439	61,890,171	66,417,595
Restricted	1,843,649	4,189,093	5,019,969	4,508,398	4,188,003
Unrestricted	4,806,759	3,526,093	7,059,861	8,844,455	11,166,135
Total business-type activities net assets	<u>41,821,223</u>	<u>48,674,744</u>	<u>62,251,269</u>	<u>75,243,024</u>	<u>81,771,733</u>
Primary government					
Invested in capital assets, net of related debt	100,510,965	120,216,198	156,933,172	190,557,286	231,051,031
Restricted	9,215,108	9,716,009	10,191,145	10,054,505	11,005,252
Unrestricted	24,791,514	23,272,717	30,843,775	41,685,156	30,660,181
Total primary government net assets	<u>\$ 134,517,587</u>	<u>\$ 153,204,924</u>	<u>\$ 197,968,092</u>	<u>\$ 242,296,947</u>	<u>\$ 272,716,464</u>

Note: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004

CITY OF SOUTH JORDAN

Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Expenses					
Governmental activities:					
General government	\$ 6,935,629	\$ 5,862,625	\$ 4,122,258	\$ 7,719,415	\$ 12,496,178
Community Development	6,026,263	6,829,037	8,829,267	3,071,596	4,307,929
Public Works	4,943,240	6,460,953	7,736,325	14,432,464	8,152,171
Public Safety	-	-	-	-	9,085,813
Parks & Recreation	-	-	-	-	2,797,002
Redevelopment	1,379,091	4,447,692	-	-	-
Finance & Administrative Services	-	-	5,761,808	5,794,895	-
Interest on long-term debt	2,007,526	1,956,191	1,761,293	1,615,736	1,364,267
Total governmental activities expense	<u>21,291,749</u>	<u>25,556,498</u>	<u>28,210,951</u>	<u>32,634,106</u>	<u>38,203,360</u>
Business-type activities					
Water	6,586,729	7,530,798	8,304,493	9,635,759	11,634,967
Sanitation	1,306,726	1,226,513	1,462,979	1,676,313	1,929,607
Mulligans	-	1,151,761	1,548,939	1,285,024	1,273,851
Total business-type activities expense	<u>7,893,455</u>	<u>9,909,072</u>	<u>11,316,411</u>	<u>12,597,096</u>	<u>14,838,425</u>
Total primary government expenses	<u>29,185,204</u>	<u>35,465,570</u>	<u>39,527,362</u>	<u>45,231,202</u>	<u>53,041,785</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	4,595,121	6,459,964	1,929,805	5,413,975	4,203,401
Community Development	-	-	-	-	4,940,046
Public Works	2,545,979	3,337,655	11,066,549	9,302,633	3,808,582
Public Safety	1,831,151	2,096,760	2,356,987	328,651	906,824
Parks & Recreation	-	-	-	-	2,287,865
Finance & Administrative Services	2,978,838	2,876,350	2,528,736	1,089,849	-
Operating grants and contributions	1,727,810	2,230,985	1,841,950	1,950,195	1,878,241
Capital grants and contributions	6,483,571	8,865,370	23,874,290	27,178,129	20,049,268
Total governmental activities programs revenues	<u>20,162,470</u>	<u>25,867,084</u>	<u>43,598,317</u>	<u>45,263,432</u>	<u>38,074,227</u>
Business-type activities:					
Charges for services:					
Water	9,160,374	10,001,697	12,318,095	12,549,690	14,461,880
Sanitation	1,306,726	1,947,040	2,041,235	2,409,651	2,446,905
Mulligans	-	1,103,493	1,196,809	1,312,393	1,246,377
Capital grants and contributions	2,392,023	4,037,365	5,767,243	8,541,823	4,272,734
Total business-type activities program revenues	<u>12,859,123</u>	<u>17,089,595</u>	<u>21,323,382</u>	<u>24,813,557</u>	<u>22,427,896</u>
Total primary governmental program revenues	<u>33,021,593</u>	<u>42,956,679</u>	<u>64,921,699</u>	<u>70,076,989</u>	<u>60,502,123</u>

CITY OF SOUTH JORDAN

Changes in Net Assets (continued)

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2004	2005	2006	2007	2008
Net (Expense)/Revenue					
Governmental activities	\$ 92,696,364	\$ 310,586	\$ 15,387,366	\$ 12,629,326	\$ (129,132)
Business-type activities	41,821,223	7,180,523	10,006,971	12,216,461	7,589,471
Total primary government net expense	<u>134,517,587</u>	<u>7,491,109</u>	<u>25,394,337</u>	<u>24,845,787</u>	<u>7,460,339</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	5,339,574	6,063,532	7,428,694	8,900,328	11,456,293
Sales taxes	3,255,045	3,658,972	4,926,279	6,481,322	7,174,379
Energy sales and use tax	1,434,575	1,431,090	1,853,968	1,824,497	2,260,516
Other taxes	187,952	565,185	753,042	877,001	843,014
Gain (loss) on disposition of capital assets	759,303	(867,929)	3,784,498	11,125	229,846
Investment earnings	50,875	250,460	419,040	1,174,925	995,130
Miscellaneous	69,617	65,208	203,310	450,196	-
Transfers	257,746	356,712	(3,569,554)	(1,011,620)	1,060,762
Total governmental activities	<u>11,354,687</u>	<u>11,523,230</u>	<u>15,799,277</u>	<u>18,707,774</u>	<u>24,019,940</u>
Business-type activities:					
Investment earnings	8,422	23,270	-	-	-
Gain (loss) on disposal of capital assets	-	6,440	-	(236,326)	-
Transfers	(257,746)	(356,712)	3,569,554	1,011,620	(1,060,762)
Total business-type activities	<u>(249,324)</u>	<u>(327,002)</u>	<u>3,569,554</u>	<u>775,294</u>	<u>(1,060,762)</u>
Total primary government	<u>11,105,363</u>	<u>11,196,228</u>	<u>19,368,831</u>	<u>19,483,068</u>	<u>22,959,178</u>
Change in Net Assets					
Governmental activities	10,225,408	11,833,816	31,186,643	31,337,100	23,890,808
Business-type activities	5,315,939	6,853,521	13,576,525	12,991,755	6,528,709
Total primary government	<u>\$ 15,541,347</u>	<u>\$ 18,687,337</u>	<u>\$ 44,763,168</u>	<u>\$ 44,328,855</u>	<u>\$ 30,419,517</u>

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2004.

CITY OF SOUTH JORDAN
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 400,357	\$ 272,704	\$ 204,162	\$ 23,728	\$ 19,159	\$ 21,901
Unreserved	739,742	957,394	2,366,351	2,862,986	3,396,598	3,157,492	3,192,878	3,866,240	4,566,731	5,185,683
Total general fund	<u>\$ 739,742</u>	<u>\$ 957,394</u>	<u>\$ 2,366,351</u>	<u>\$ 2,862,986</u>	<u>\$ 3,796,955</u>	<u>\$ 3,430,196</u>	<u>\$ 3,397,040</u>	<u>\$ 3,889,968</u>	<u>\$ 4,585,890</u>	<u>\$ 5,207,584</u>
All Other Governmental Funds										
Reserved	\$ 1,715,625	\$ 1,914,169	\$ 2,338,933	\$ 4,825,295	\$ 6,374,703	\$ 7,351,152	\$ 5,483,012	\$ 5,174,345	\$ 5,639,414	\$ 6,739,346
Unreserved reported in:										
Special Revenue Funds	(870,642)	(296,616)	361,465	383,760	1,910,802	3,014,715	2,588,944	2,593,201	2,930,233	4,028,384
Capital Projects Funds	7,534,293	6,842,618	5,896,582	10,263,841	6,856,230	5,781,184	6,742,713	9,642,011	11,445,359	4,830,105
Debt Service Funds	178,417	192,727	-	-	43,447	160,103	203,930	110,553	132,912	143,882
Permanent Funds	6,660	11,978	19,033	17,533	130,302	140,010	157,895	156,096	157,603	174,760
Total all other governmental funds	<u>\$ 8,564,353</u>	<u>\$ 8,664,876</u>	<u>\$ 8,616,013</u>	<u>\$ 15,490,429</u>	<u>\$ 15,315,484</u>	<u>\$ 16,447,164</u>	<u>\$ 15,176,494</u>	<u>\$ 17,676,206</u>	<u>\$ 20,305,521</u>	<u>\$ 15,916,477</u>

CITY OF SOUTH JORDAN
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues										
Taxes	\$ 4,727,817	\$ 5,497,526	\$ 7,077,602	\$ 8,624,901	\$ 9,159,474	\$10,240,605	\$11,623,773	\$ 14,960,684	\$ 18,187,553	\$ 21,604,249
Licenses, fees, and permits	726,177	828,377	876,840	965,870	1,348,514	1,790,661	2,948,658	3,763,459	3,716,134	2,974,174
Intergovernmental	1,333,472	1,505,370	3,087,477	1,636,144	1,283,684	1,717,710	2,230,984	2,182,529	2,273,037	2,040,569
Charges for services	898,797	920,862	1,379,403	2,104,863	3,859,494	3,216,295	4,767,544	5,950,844	7,073,069	7,332,800
Fines and penalties	436,660	547,130	774,254	889,392	1,006,452	987,405	1,189,595	1,260,350	1,089,849	1,009,544
Special assessments	374,404	215,198	86,000	-	-	794,799	926,733	710,771	799,031	785,888
Investment earnings	429,144	305,218	290,935	114,682	348,757	285,586	469,847	756,130	1,174,925	995,130
Impact fees	2,345,258	2,381,458	2,406,246	2,297,648	4,199,003	5,094,036	5,333,222	5,831,054	4,256,057	2,463,789
Miscellaneous	36,030	539,110	536,303	418,424	1,319,829	707,696	377,533	942,584	1,598,226	1,904,251
Total Revenues	11,307,759	12,740,249	16,515,060	17,051,924	22,525,207	24,834,793	29,867,889	36,358,405	40,167,881	41,110,394
Expenditures										
General government	2,488,489	2,718,650	3,030,336	4,121,990	6,429,812	5,266,202	3,946,900	2,477,432	5,683,085	9,694,127
Community Development	-	-	-	-	-	-	-	-	-	2,827,193
Public Works	529,684	636,860	1,015,457	1,167,092	1,489,770	2,093,356	2,767,976	3,992,094	8,966,517	3,200,085
Public Safety	2,396,438	3,109,709	3,747,944	4,498,128	5,233,088	5,780,900	6,619,809	8,377,726	2,832,767	8,663,160
Parks and Recreation	-	-	-	-	-	-	-	-	-	2,264,434
Finance & Admin. Services	312,196	334,481	428,268	865,194	1,052,678	1,151,439	3,233,684	4,817,357	5,233,222	-
Tax Increment Distributions	-	-	-	-	481,681	487,608	581,406	799,491	1,453,327	2,769,047
Capital outlay	5,312,745	5,572,876	13,119,118	16,663,151	21,173,181	9,374,068	10,886,020	10,333,125	7,761,741	13,677,411
Debt service										
Principal	599,699	278,292	262,689	434,280	1,376,320	1,743,380	6,041,894	2,471,530	2,901,694	2,030,751
Other	-	-	26,108	466	-	-	-	-	-	-
Interest	66,253	54,918	187,176	476,568	1,943,735	2,053,404	2,006,799	1,742,568	1,919,083	1,812,173
Total expenditures	11,705,504	12,705,786	21,817,096	28,226,869	39,180,265	27,950,357	36,084,488	35,011,323	36,751,436	46,938,381
Excess of revenues over (under) expenditures	(397,745)	34,463	(5,302,036)	(11,174,945)	(16,655,058)	(3,115,564)	(6,216,599)	1,347,082	3,416,445	(5,827,987)

CITY OF SOUTH JORDAN
 Changes in Fund Balances, Governmental Funds (continued)
 Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Other Financing Sources (Uses)										
Issuance of long term debt	-	-	2,865,000	16,428,000	21,965,493	1,880,652	1,246,924	1,333,934	10,219,500	6,380,000
Interim warrants	-	-	3,383,858	2,040,120	(5,840,576)	-	-	-	-	-
Sale of capital assets	-	-	-	-	902,819	1,742,087	3,309,139	3,881,177	236,300	719,874
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(9,699,784)	(6,100,000)
Transfers in	4,903,695	1,072,167	1,278,824	3,477,459	4,964,126	3,428,827	7,792,483	11,268,143	10,512,044	10,653,602
Transfers out	(3,631,550)	(1,056,519)	(1,021,676)	(3,470,200)	(4,577,780)	(3,171,081)	(7,435,771)	(14,837,697)	(11,359,269)	(9,592,839)
Total other financing sources (uses)	<u>1,272,145</u>	<u>15,648</u>	<u>6,506,006</u>	<u>18,475,379</u>	<u>17,414,082</u>	<u>3,880,485</u>	<u>4,912,775</u>	<u>1,645,557</u>	<u>(91,209)</u>	<u>2,060,637</u>
Net change in fund balances	<u>\$ 874,400</u>	<u>\$ 50,111</u>	<u>\$ 1,203,970</u>	<u>\$ 7,300,434</u>	<u>\$ 759,024</u>	<u>\$ 764,921</u>	<u>\$(1,303,824)</u>	<u>\$ 2,992,639</u>	<u>\$ 3,325,236</u>	<u>\$ (3,767,350)</u>
Debt service as a percentage of noncapital expenditures	10%	5%	5%	8%	18%	20%	32%	17%	17%	12%

CITY OF SOUTH JORDAN
 Assessed Value and Estimate Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Residential Property	Commerical Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
1999	\$ 882,689,489	\$ 92,914,683	\$ 1,300,806	\$ 47,758,147	\$ 929,146,830	1.67	\$ 1,492,605,349	62.250
2000	960,016,962	101,054,417	1,414,762	51,941,970	1,010,544,170	1.71	1,623,364,129	62.250
2001	1,078,293,741	113,504,604	1,589,064	58,341,367	1,135,046,043	1.86	1,823,367,137	62.250
2002	1,202,981,371	126,629,618	1,772,815	65,087,624	1,266,296,180	1.95	2,034,210,731	62.250
2003	1,343,379,323	141,408,350	1,979,717	72,683,892	1,414,083,498	1.93	2,271,620,077	62.250
2004	1,385,723,151	230,953,859	2,155,569	79,140,189	1,539,692,390	1.87	2,387,119,984	64.500
2005	1,553,149,212	258,858,202	2,416,010	88,702,077	1,725,721,347	2.21	2,675,536,972	64.500
2006	1,750,626,962	291,771,160	2,723,197	99,980,251	1,945,141,069	1.87	3,015,722,587	64.500
2007	2,258,377,822	423,682,386	4,642,382	90,866,013	2,595,836,577	1.71	4,024,552,833	64.500
2008	3,181,686,071	596,899,390	6,540,360	128,015,395	3,657,110,427	1.70	5,669,938,647	64.500

Source: Salt Lake County

CITY OF SOUTH JORDAN
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates			Overlapping Rates							
	Basic Rates	Total Direct Rate	Jordan School District	Salt Lake Library	Salt Lake County	Mosquito Abatement	Central Utah Water Conservancy District	Sandy Suburban	South Valley Sewer	Jordan Valley Water Conservancy District	Crescent Cemetary
1999	1.67	1.67	6.56	0.61	2.81	0.01	0.40	-	0.63	0.40	-
2000	1.71	1.71	7.58	0.61	3.02	0.01	0.40	-	0.63	0.40	-
2001	1.86	1.86	8.85	0.58	2.90	0.01	0.38	0.76	0.59	0.40	-
2002	1.95	1.95	8.34	0.74	2.94	0.02	0.36	0.89	0.56	0.92	-
2003	1.93	1.93	8.37	0.75	2.87	0.03	0.36	1.10	0.52	0.97	-
2004	1.87	1.87	8.86	0.73	2.82	0.03	0.35	1.10	0.52	0.39	0.07
2005	2.21	2.21	8.66	0.70	2.68	0.03	0.40	1.10	0.47	0.40	0.06
2006	1.87	1.87	7.35	0.62	2.37	0.03	0.36	1.06	0.41	0.35	-
2007	1.71	1.71	6.62	0.52	1.99	0.02	0.30	0.88	0.33	0.40	0.04
2008	1.70	1.70	6.15	0.50	1.93	0.02	0.29	0.81	0.32	0.38	0.04

Source: Salt Lake County Auditor's Office

(a) 1997 Forward - Hansen Planetarium included with the General Fund

CITY OF SOUTH JORDAN

Principal Property Tax Payers
Current Year and Nine Years ago

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Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Merit Medical Systems INC.	\$ 38,124,570	1	1.04%			
Kennecott Land Residential	28,636,470	2	0.78%	\$ 14,854,803	1	1.63%
Walmart Stores INC.	27,790,000	3	0.76%			
Harvest Pointe LLC	18,119,400	4	0.50%			
DEF Properties LLC	17,955,860	5	0.49%			
JG Parkway Tower LLC	17,658,900	6	0.48%			
LTF Real Estate	16,224,600	7	0.44%			
DM Town Center LLC	14,268,600	8	0.39%			
Pheasant Hollow Business Park	13,203,400	9	0.36%			
Carmax Auto Superstores	12,381,900	10	0.34%			
Sterling Village, LC				11,027,185	2	1.21%
Legacy Retirement Center L.L.C.				5,741,427	7	0.63%
E&H Investments				8,475,440	3	0.93%
QRS 11-20 (UT), Inc.				7,381,835	4	0.81%
Towers at South Jordan #2				6,835,032	5	0.75%
Ron Thorne Construction, Inc.				5,923,694	6	0.65%
Ultradent Products, Inc.				4,556,688	8	0.50%
Smiths Food King				4,283,287	9	0.47%
Miller Family Partnership				3,918,752	10	0.43%
Total	\$ 204,363,700		5.59%	\$ 72,998,141		8.01%

Source: The City of South Jordan

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

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
1999	\$ 1,502,042	\$ 1,394,673	92.85%	\$ 104,985	\$ 1,499,658	99.84%
2000	1,712,895	1,575,618	91.99%	136,614	1,712,232	99.96%
2001	2,106,604	1,981,143	94.04%	125,292	2,106,435	99.99%
2002	2,535,599	2,349,620	92.67%	181,248	2,530,868	99.81%
2003	2,755,848	2,614,582	94.87%	139,287	2,753,869	99.93%
2004	2,973,839	2,851,618	95.89%	118,854	2,970,472	99.89%
2005	3,226,756	3,074,510	95.28%	143,739	3,218,249	99.74%
2006	3,904,953	3,752,707	96.10%	143,335	3,896,042	99.77%
2007	4,321,487	4,132,213	95.62%	-	4,132,213	95.62%
2008	6,250,207	5,949,216	95.18%	-	5,949,216	95.18%

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Taxable Sales by Category
Last Ten Fiscal Years

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Retail/Grocery	\$13,874,687	\$17,482,106	\$22,027,453	\$27,754,591	\$ 43,919,840	\$ 58,724,279	\$ 63,010,189	\$ 96,451,730	\$ 199,483,049	\$ 242,583,013
Utility/Communication	5,171,325	6,515,869	8,209,995	10,344,594	16,369,649	21,887,507	23,484,936	35,949,150	44,569,463	80,680,170
Auto dealers & supplies	13,317,828	16,780,464	21,143,384	26,640,664	42,157,122	56,367,387	60,481,282	92,580,651	137,957,856	129,483,480
Eating & drinking establishments	2,649,194	3,337,985	4,205,861	5,299,385	8,385,933	11,212,652	12,030,991	18,416,227	24,945,293	36,533,292
Home furnishings and appliances	523,276	659,328	830,753	1,046,749	1,656,413	2,214,754	2,376,395	3,637,624	3,742,167	8,598,510
Medical	1,471,360	1,853,914	2,335,932	2,943,274	4,657,540	6,227,497	6,682,002	10,228,356	10,448,332	10,953,912
Service stations	683,153	860,773	1,084,574	1,366,564	2,162,499	2,891,431	3,102,458	4,749,032	5,697,382	7,196,446
All other outlets	9,501,897	11,972,390	15,085,211	19,007,366	30,077,924	40,216,548	43,151,697	66,053,696	70,406,043	50,150,342
Utah State Tax- Motor Vehicle	<u>1,930,705</u>	<u>2,432,689</u>	<u>3,065,188</u>	<u>3,862,136</u>	<u>6,111,580</u>	<u>8,171,663</u>	<u>8,768,061</u>	<u>13,421,554</u>	<u>18,105,020</u>	<u>13,443,254</u>
Totals	<u>\$49,123,425</u>	<u>\$61,895,518</u>	<u>\$77,988,351</u>	<u>\$98,265,323</u>	<u>\$155,498,500</u>	<u>\$207,913,718</u>	<u>\$223,088,011</u>	<u>\$341,488,020</u>	<u>\$ 515,354,605</u>	<u>\$ 579,622,419</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Utah State Tax Commission

Notes: Sales tax generated in South Jordan City

CITY OF SOUTH JORDAN
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	South Jordan City Direct Rate	Salt Lake County	State of Utah
1999	1.000%	0.600%	4.750%
2000	1.000%	0.600%	4.750%
2001	1.000%	0.850%	4.750%
2002	1.000%	0.850%	4.750%
2003	1.000%	0.850%	4.750%
2004	1.000%	0.850%	4.750%
2005	1.000%	0.850%	4.750%
2006	1.000%	0.850%	4.750%
2007	1.000%	1.100%	4.750%
2008	1.000%	1.150%	4.650%

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

CITY OF SOUTH JORDAN
Sales Tax Revenue Payers by Industry
Fiscal Years 1998 and 2008

	Fiscal Year 1998				Fiscal Year 2008			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	5	1.57%	\$110,117	28.24%	45	4.74%	\$2,425,830	41.85%
Utility/Communication	26	8.00%	41,042	10.53%	83	8.74%	806,802	13.92%
Auto Dealers & Supplies	12	3.71%	105,697	27.11%	29	3.05%	1,294,835	22.34%
Eating/Drinking Establishments	16	5.00%	21,025	5.39%	67	7.05%	365,333	6.30%
Home Furnishings & Appliances	9	2.71%	4,153	1.07%	25	2.63%	85,985	1.48%
Medical	15	4.57%	11,677	3.00%	36	3.79%	109,539	1.89%
Service Stations	3	1.00%	5,422	1.39%	10	1.05%	71,964	1.24%
All Other Outlets	237	73.29%	75,412	19.34%	652	68.63%	501,503	8.65%
Utah State Tax - Motor Vehicle	1	0.14%	15,323	3.93%	3	0.32%	134,433	2.32%
Total	<u>324</u>	<u>100.00%</u>	<u>\$389,868</u>	<u>100.00%</u>	<u>950</u>	<u>100.00%</u>	<u>\$5,796,224</u>	<u>100.00%</u>

Source: Utah State Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of South Jordan City's revenue. Fiscal year 2007 is the most recent year for which data is available.

CITY OF SOUTH JORDAN

Charges for Water Fees
Last Seven Fiscal Years

	Fiscal Year						
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Water Sales	\$ 3,922,862	\$ 4,586,146	\$ 6,230,780	\$ 6,606,578	\$ 8,383,108	\$ 9,199,044	\$ 10,920,880
Secondary Water	323,236	365,979	632,498	616,258	647,932	647,248	616,037
Other	<u>45,555</u>	<u>107,361</u>	<u>209,733</u>	<u>241,461</u>	<u>335,387</u>	<u>318,626</u>	<u>346,135</u>
Totals	<u>\$ 4,291,654</u>	<u>\$ 5,059,486</u>	<u>\$ 7,073,011</u>	<u>\$ 7,464,297</u>	<u>\$ 9,366,427</u>	<u>\$ 10,164,920</u>	<u>\$ 11,883,052</u>

Source: City of South Jordan

Note: Other includes: Finance charges, and Water Meter Sets
Information before fiscal year 2002 is not available.

CITY OF SOUTH JORDAN
Ratios of Outstanding Debt by Type
Last Ten Years
(dollars in thousands except per capita)

Fiscal Year	Governmental Activities						Business-type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	Municipal Bldg Authority	Excise Tax Road Bond	Term Loan	Sales Tax Increment Bonds	Leases	Special Assessment Bond	RDA Tax Increment Bond	Water Revenue Bonds	Municipal Bldg Authority (Mulligans)	Other				
1999	\$ 1,010	\$ -	\$ 1,777	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ 14	\$ 3,051	0.55%	\$ 110	
2000	830	-	1,395	-	-	-	-	195	-	175	2,595	0.44%	88	
2001	637	2,865	1,211	-	-	3,800	-	3,535	-	220	12,269	1.93%	387	
2002	435	2,640	1,203	15,000	1,454	5,841	-	3,375	-	275	30,222	4.61%	891	
2003	9,616	2,400	709	14,430	1,950	7,470	4,100	3,200	-	868	44,743	6.50%	1,237	
2004	9,390	2,145	2,472	14,085	1,590	7,170	4,100	25,570	12,500	667	79,688	10.20%	2,017	
2005	9,065	1,880	2,681	13,725	2,041	6,740	-	24,720	12,500	1,012	74,363	8.24%	1,692	
2006	8,730	1,600	3,496	13,355	1,495	6,475	-	23,845	8,405	489	67,889	6.90%	1,473	
2007	8,385	1,310	2,659	13,645	1,231	6,100	-	28,890	7,285	383	69,887	6.52%	1,446	
2008	8,035	1,005	2,246	13,195	1,514	5,770	-	27,775	6,130	282	65,952	4.99%	1,239	

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

CITY OF SOUTH JORDAN
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2008

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Salt Lake County	\$ 255,785,000	3.10%	\$ 7,929,335
Jordan School District	322,695,000	9.20%	29,687,940
South Valley Sewer District	210,000	24.61%	51,681
Central Utah Water Cons. District	317,382,560	2.21%	7,014,155
			<hr/>
Subtotal, overlapping debt			44,683,111
City direct debt			<hr/> -
Total direct and overlapping debt			<hr/> \$ 44,683,111 <hr/>

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

CITY OF SOUTH JORDAN

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	\$ 3,657,110
Debt limit (12% of assessed value)	438,853
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 438,853</u>

	Fiscal Year									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$111,498	\$121,265	\$136,206	\$151,956	\$169,690	\$184,763	\$207,087	\$ 233,417	\$ 311,500	\$ 438,853
Total net debt applicable to limit	<u>250</u>	<u>195</u>	<u>135</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$111,248</u>	<u>\$121,070</u>	<u>\$136,071</u>	<u>\$151,886</u>	<u>\$169,690</u>	<u>\$184,763</u>	<u>\$207,087</u>	<u>\$ 233,417</u>	<u>\$ 311,500</u>	<u>\$ 438,853</u>
Total net debt applicable to the limit as a percentage of debt limit	0.22%	0.16%	0.10%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Salt Lake County Auditor's Office

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 12% of total assessed property value. Of this percent, a maximum of 4% may be used for general purpose. The remaining 8% and any unused portion of the 4% available for general purpose up to a maximum of 12% may be used for water, sewer, and electrical projects.

CITY OF SOUTH JORDAN

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds				Sales Tax Increment Bonds			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Riverpark L.L.C.	Debt Service			Sales & Use Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
1999	\$ 3,002	\$ 2,612	\$ 390	\$ 55	\$ 17	5.42	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2000	3,361	3,115	246	55	14	3.56	-	-	-	-	-	-	-	-
2001	3,774	3,269	505	60	108	3.01	-	-	-	-	-	-	-	-
2002	4,255	3,563	692	160	184	2.01	-	-	-	-	-	-	-	-
2003	5,060	3,901	1,159	175	175	3.31	-	-	-	-	2,844	570	875	1.97
2004	7,073	4,602	2,471	110	670	3.17	786	300	486	1.00	3,255	345	706	3.10
2005	7,464	5,220	2,244	850	1,212	1.09	899	430	469	1.00	3,659	360	692	3.48
2006	9,366	5,307	4,059	875	1,183	1.97	710	265	445	1.00	4,926	370	679	4.70
2007	10,165	6,921	3,244	930	1,153	1.56	806	375	431	1.00	6,481	385	566	6.81

CITY OF SOUTH JORDAN
Pledged-Revenue Coverage (continued)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	MBA Lease Revenue Bonds				Excise Tax Road Bond				Tax Increment Revenue Bond			
	Sales & Use Tax	Debt Service			Class C Road Funds Revenue	Debt Service			Project 5 Revenues	Debt Service		
		Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
1999	\$ 232	\$ 171	\$ 61	1.00	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
2000	232	180	52	1.00	-	-	-	-	-	-	-	-
2001	236	193	43	1.00	220	-	75	2.95	-	-	-	-
2002	235	202	33	1.00	1,324	225	131	3.72	-	-	-	-
2003	407	209	198	1.00	1,072	240	120	2.98	304	-	67	4.50
2004	640	226	414	1.00	1,308	255	107	3.61	378	-	154	2.46
2005	724	325	399	1.00	1,415	265	95	3.93	464	176	150	1.42
2006	2,026	1,435	591	1.00	1,324	280	82	3.65	-	-	-	-
2007	2,179	1,465	714	1.00	1,587	290	69	4.42	-	-	-	-
2008	2,173	1,505	668	1.00	1,711	305	55	4.75	-	-	-	-

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Source: The City of South Jordan

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

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

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
1999	27,715	\$ 558,960,712	\$ 20,168	2.2%
2000	29,437	594,744,589	20,204	2.0%
2001	31,679	635,014,162	20,045	2.8%
2002	33,920	656,009,242	19,340	3.8%
2003	36,162	688,342,101	19,035	3.7%
2004	39,500	781,497,383	19,785	3.3%
2005	43,959	902,075,716	20,521	2.8%
2006	46,086	1,054,287,865	22,876	2.3%
2007	48,340	1,159,716,652 *	23,991	1.6%
2008	51,405	1,275,688,317 *	24,816	1.9%

Sources: Unemployment rate - www.bls.gov/data/home.htm
Personal income - www.tax.utah.gov/esu/income
* 2007 and 2008 personal income amounts not available; estimated
based on average increase from previous years

CITY OF SOUTH JORDAN
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	2008			1999		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Jordan School District	1569	1	10.15%			
Merit Medical	857	2	5.54%	448	2	6.31%
Ultradent Products	750	3	4.85%	340	3	4.79%
City of South Jordan	468	4	3.03%			
Landesk Software	335	5	2.17%			
Wal-Mart Supercenter	297	6	1.92%			
Mona Vie	288	7	1.86%			
Lifetime Fitness	270	8	1.75%			
Megaplex 20	264	9	1.71%			
Hewlett Packard	250	10	1.62%			
Convergys				1014	1	14.28%
Smith's				120	4	1.69%
Bill Good Marketing				82	5	1.16%
Denny's				60	6	0.85%
McDonalds				60	7	0.85%
Parson Engineering				40	8	0.56%
Pizza Hut				25	9	0.35%
Federal Land Bank				23	10	0.32%
Total	<u>5,348</u>		<u>34.60%</u>	<u>2,212</u>		<u>31.16%</u>

Source: The City of South Jordan

CITY OF SOUTH JORDAN
 Full-time-Equivalent City Government Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of June 30</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007¹</u>	<u>2008</u>
General government	6.5	4.5	9.5	6.5	11	6	5.5	9.75	8.25	8.25
Management services	-	-	6	12	11.5	20.5	18.5	20.5	23	32
Finance	7	6	5	4	5	4	7	5	8	9
Planning	5	5	6	6	9	6	9	7	5	4.5
Building	5	5	5	5	7	7	8	8	10	8
Legal ²									6	6
Municipal Court ²									7.8	6
Other	3	4	4.75	5.75	7	7	7	7	11	15
Police										
Officers	25	29	26	37	37	37	43	41	48	50
Civilians	7.75	9	8.5	10.5	12	13.75	18.5	19.25	10.75	10.75
Fire										
Firefighters and officers	21	30	28	38	34	34	34	44	42	46
Civilians	1.5	1.5	1.5	1.5	-	-	0.5	1.5	2	2
Refuse collections	-	-	-	1	1	1	1	1	2	3
Other public works										
Engineering	7	6	8	8	10	11	12.75	15.5	19.5	20.0
Streets ²									12	12
Storm Drain ²									5	8
Other	4	11	13	20	26	20	32	39	12	11
Redevelopment	1	1	-	2	-	1.5	1.5	1	1	2
Parks and recreation	10	7	6	9	20.5	22	76	76.5	45.5	53.25
Library	-	-	-	-	-	-	-	-	-	-
Water	11	10	11	11.5	13	14	14	14	17	17
Wastewater	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	-
Total	<u>114.75</u>	<u>129</u>	<u>138.25</u>	<u>177.75</u>	<u>204</u>	<u>204.75</u>	<u>288.25</u>	<u>310</u>	<u>295.8</u>	<u>323.75</u>

Source: The City of South Jordan HR Department

¹ Reporting modified to match actual City budgets, breakout additional functions, and not include seasonal employees

² New function breakout

CITY OF SOUTH JORDAN
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government										
Building permits issued	565	713	652	842	1,084	1,380	1,522	1,772	1,678	1,397
Building inspections conducted	9,366	10,407	11,563	14,631	24,918	29,077	34,368	46,760	55,350	47,269
Police										
Physical arrests	782	534	1,176	964	922	1,060	988	1,008	984	1,118
Parking violations	120	356	140	179	130	246	454	586	902	601
Traffic violations	6,349	6,073	11,971	12,039	12,944	13,785	14,179	12,485	11,466	12,882
Fire										
Emergency responses	N/A	1,223	1,290	1,544	1,803	1,790	1,886	2,174	2,256	2,315
Fires extinguished	N/A	60	67	114	101	147	132	134	146	121
Inspections	N/A	1,343	1,079	1,310	1,631	1,669	2,148	2,860	2,127	951
Other public works										
Street resurfacing (miles)	2	2	2	2	2	3	4	6	39	2
Potholes repaired	1,110	1,290	1,555	1,571	1,745	1,876	1,934	2,080	1,700	14,720
Parks and recreation										
Athletic field permits issued	6	6	6	6	6	6	6	6	7	8
Community center admissions	-	-	-	-	4,960	5,109	5,262	5,420	7,590	11,364
Water										
New connections	507	213	246	419	1294	280	820	905	1035	872
Water main breaks	150	150	150	200	150	150	150	132	74	126
Average daily consumption (thousands of gallons)	7,387	8,187	8,056	7,727	7,591	8,014	7,645	9,547	12,431	11,378
Peak daily consumption (thousands of gallons)	16,991	18,830	18,528	17,772	17,459	18,433	17,583	22,148	24,194	27,139

Sources: The City of South Jordan

Notes: Fire Department had no information for 1999, and Community Center admissions is an estimate

CITY OF SOUTH JORDAN
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Police										
Stations	1	1	1	1	1	1	1	1	2	2
Sub station	-	-	-	1	1	1	1	1	-	-
Patrol units	23	26	29	33	34	38	44	44	49	51
Fire Stations	1	1	1	2	2	2	2	2	2	2
Other public works										
Streets (miles)	107	125	150	151	166	178	183	196	211	262
Streetlights	1,060	1,085	2,071	2,111	2,123	2,150	2,477	3,785	3,965	4,096
Storm Drain (miles)	43	50	65	68	73	78	89	96	105	112
Traffic signals	8	8	8	9	9	10	10	12	15	18
Parks and recreation										
Acreage	111	153	180	210	260	260	298	388	388	388
Playgrounds	9	10	11	12	13	14	15	16	16	16
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	9
Soccer/football fields	5	5	5	5	5	9	9	9	9	9
Community centers	-	-	-	-	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	128	150	160	161	172	187	219	244	267	277
Irrigation Water Lines (miles)	67	100	105	105	85	86	93	95	101	157
Fire Hydrants	1,560	1,611	1,680	1,811	1,894	1,894	2,115	2,416	2,475	2,672
Storage capacity (thou. of gallons)	-	-	-	-	-	-	14,000	14,000	18,000	18,000

Sources: The City of South Jordan

Internal Control and Compliance Reports



SOUTH JORDAN

GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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

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

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

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

December 19, 2008

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, as of and for the year ended June 30, 2008, which collectively comprise the City of South Jordan's basic financial statements and have issued our report thereon dated December 19, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the City of South Jordan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of South Jordan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of South Jordan's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of South Jordan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of South Jordan's financial statements that is more than inconsequential will not be prevented or detected by the City of South Jordan's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of South Jordan's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

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

We noted certain other matters that we reported to the management of the City of South Jordan in a separate letter dated December 19, 2008.

This report is intended solely for the information and use of the management, City Council, and Utah State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gilbert & Stewart".

GILBERT & STEWART
Certified Public Accountants

GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT ON LEGAL COMPLIANCE WITH APPLICABLE UTAH STATE LAWS AND REGULATIONS

The Honorable Mayor and City Council
City of South Jordan
South Jordan, UT

December 19, 2008

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the remaining fund information of the City of South Jordan for the year ended June 30, 2008, and have issued our report thereon dated December 19, 2008. As part of our audit, we have audited the City of South Jordan's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the year ended June 30, 2008. The City received the following major state assistance programs from the State of Utah:

Class "C" Road Funds (Departments of Transportation)
Liquor Funds (Utah State Tax Commission)

The City also received the following non-major grants which are not required to be audited for specific compliance requirements (however, these programs were subject to test work as part of the audit of the City of South Jordan's financial statements):

Library Service Development (State Library)
Emergency Medical Services (Department of Health)
Historical Grant (Department of Community & Economic Development)

Our audit also included test work on the City's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt	Justice Courts
Cash Management	B & C Road Funds
Purchasing Requirements	Special Districts
Budgetary Compliance	Other Compliance Requirements
Property Tax	Department of Commerce – Building Permits
Liquor Law Enforcement	Impact Fees
Utah Retirement System	Asset Forfeitures

The management of the City of South Jordan is responsible for the City's compliance with all compliance requirements identified above. Our responsibilities is to express an opinion on compliance with those requirements based on our audit.

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PROVO OFFICE
190 WEST 800 NORTH #100
PROVO, UT 84601
(801) 377-5300
FAX (801) 373-5622
FAX (801) 373-5622

AMERICAN FORK OFFICE
85 NORTH CENTER STREET
AMERICAN FORK, UT 84003
(801) 756-9666
FAX (801) 756-9667

HEBER OFFICE
45 SOUTH MAIN ST.
HEBER, UTAH 84032
(435) 654-6477

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the City of South Jordan complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for they year ended June 30, 2008.



GILBERT & STEWART
Certified Public Accountants



South Jordan City
Division of Finance
1600 W. Towne Center Drive
South Jordan, UT 84095

www.sjc.utah.gov