

The City of  
**SOUTH JORDAN**  
Utah



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009



CITY OF SOUTH JORDAN  
STATE OF UTAH

Comprehensive Annual Financial Report  
For the Year Ended June 30, 2009

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SOUTH JORDAN

**CITY OF SOUTH JORDAN**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Letter of Transmittal .....	2
GFOA Certificate of Achievement .....	6
Organizational Chart.....	7
List of Principal Officials.....	8

**FINANCIAL SECTION**

Report of Independent Certified Public Accountants .....	11
Management’s Discussion and Analysis .....	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	34
Reconciliation of the Statement of Revenues, Expenditures, And Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	36
Statement of Net Assets – Proprietary Funds .....	38
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds .....	39
Statement of Cash Flows – Proprietary Funds.....	40
Notes to the Financial Statements.....	42
Required Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	72
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Redevelopment Agency Fund.....	74
Notes to Required Supplementary Information .....	75
Supplementary Section:	
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds .....	80
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	82
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Debt Service – Debt Service Fund.....	84

**Table of Contents (continued)**

Construction – Capital Projects Fund .....85  
Glenmoor Special Improvement District – Special Revenue Fund .....86  
Historical Preservation – Special Revenue Fund.....87  
Parkway Care – Special Revenue Fund .....88  
Street Lighting – Special Revenue Fund .....89  
Storm Drain – Special Revenue Fund.....90  
Recreation Programs – Special Revenue Fund.....91  
Community Development Block Grant – Special Revenue Fund .....92  
Risk Management – Special Revenue Fund .....93  
Public Arts – Special Revenue Fund .....94  
Recreation Center Fund – Special Revenue Fund .....95  
Municipal Building Authority – Capital Projects Fund.....96  
Cemetery – Permanent Fund.....97  
Capital Assets Used in the Operation of Governmental Funds:  
Schedule of Source .....99  
Schedule by Function and Activity.....100  
Schedule of Changes by Function and Activity.....101

**STATISTICAL SECTION**

Net Assets by Components .....103  
Changes in Net Assets .....104  
Governmental Fund – Fund Balance .....106  
Governmental Fund – Changes in Fund Balance .....107  
Assessed/Estimate Actual Value of Taxable Property.....109  
Property Tax Rates – Direct and Overlapping Governments .....110  
Principal Property Tax Payers .....111  
Property Tax Levies and Collections .....112  
Taxable Sales by Category.....113  
Direct and Overlapping Sales Tax Rate.....114  
Principal Sales Tax Remitters.....115  
Charges for Water Fees.....116  
Ratio of Outstanding Debt by Type .....117  
Direct and Overlapping Governmental Activities Debt.....118  
Legal Debt Margin Information.....119  
Pledged-Revenue Coverage .....120  
Demographic and Economic Statistics .....122  
Principal Employers.....123  
FTE City Employees by Function/Program.....124  
Operating Indicators by Function/Program .....125  
Capital Asset Statistics by Function/Program.....126

**Table of Contents (continued)**

Internal Control and Compliance:  
    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 .....128  
Independent Auditor’s Report on Legal Compliance with Applicable  
    Utah State Laws and Regulations .....129



# 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](mailto:info@sjc.utah.gov) FAX: 801.254.3393

December 10, 2009  
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, 2009, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report 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 currently 54,309. This is an increase of 2,904 from the previous year and an 85% increase 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 these services. The general philosophy of the City is that increased revenues from existing taxes and other revenue sources must provide the base for the expansion of public expenditures. As demonstrated over the past several years, the City is committed to this philosophy.

The City has not been immune the economic issues troubling the nation. Certain revenues, primarily sales tax, fell short of original projections, and as a result general fund budgets were reduced during the year by \$1,095,107. However, unlike most jurisdictions, the City's actual sales tax revenues increased 2.63% from FY 2007-2008's actual revenues. Revenues related to development have increased significantly from the previous year. However, they are far below levels realized 3-5 years ago. The most significant impact of reduced revenues is evidenced in the delay of multiple capital projects within the City.

## **MAJOR INITIATIVES**

**Key Management Practices.** The City has implemented financial policies and guidelines for the purpose of providing guidance and direction in relation to financial practices. These guidelines have been a valuable resource used by elected officials and City management to maintain consistency and fiscal restraint during times of economic prosperity as well as recession. By adhering to these principals, the City has been able to keep expenditures within reasonable levels and maintain adequate fund balance reserves even during these difficult times. The policies are reviewed and adopted with the budget each year. A few of these practices are described below:

- **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 plan was put together by the Mayor and City Council, City management, and the City's finance department. Projections are made for 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 have also used the plan to evaluate the fiscal sustainability of the City's current land use and zoning plan. Analysis has been done to evaluate whether the potential future revenues from these zones will provide sufficient revenues to meet projected future expenditures. We believe this plan will be a valuable tool for us in the areas of budgeting and strategic planning.

- **Debt Affordability.** The City of South Jordan has established a limit on the amount of general fund revenue which can be used towards debt service. This limit is established at 4% of the general fund revenue.
- **Personnel Planning.** The City has established a 77/23 guideline for the general fund. Therefore, the City will strive to maintain a spending ratio of 77% for personnel costs and 23% for operating costs.

**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 2008-09, 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. 10400 South and 11400 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
3. Road Projects. Significant work was made toward several major road projects in the City as well. The majority of the \$8,115,000 in proceeds from the 2008 Sales Tax revenue bonds has and will be spent towards improving roads in the City.
4. Heritage Park. A new park was constructed to commemorate the City's sesquicentennial. The park is near the City center and has a beautiful, large stature recognizing the families that originally settled this city.

**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 seven redevelopment areas (RDA's), four economic development area (EDA's), and two community development areas (CDA'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 \$16,694 during the fiscal year, to end with a balance of \$5,224,278. This amount represents an increase of \$1,794,082 from five years ago. During the same five-year period, the City's governmental funds revenues increased from \$24,834,793 to \$39,157,527, and expenditures increased from \$27,950,357 to \$58,108,591. Growth in proprietary funds has increased during this period as well. Proprietary fund revenues increased from \$8,905,609 to \$17,332,397 since fiscal year 2004, while operating expenses rose from \$6,881,457 to 13,574,418. 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, 2009, 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.

**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, 2008. 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, 2008

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.



*Michael R. ...*  
President

*Jeffrey L. ...*  
Executive Director



SOUTH JORDAN

# 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/  
Intergovernmental Matters

City Manager Appoints

ACM/City Attorney

ACM/Residential Matters

ACM/Commercial Matters

**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  
ESTABLISHED 1974

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

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

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## INDEPENDENT AUDITOR'S REPORT

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

December 8, 2009

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, 2009, 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.

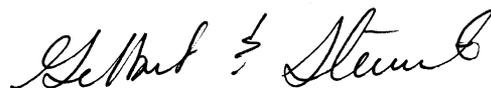
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, 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 issued a report dated December 8, 2009 on our consideration of the City of South Jordan's internal control over financial reporting and on our test 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 should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and required supplementary information 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, 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, 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 basic 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.



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, 2009. 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 4.0% to \$285,289,360. 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, 2009, the City's governmental funds reported a combined fund balance of \$22,130,036. This represents a 4.0% increase from the previous year.
- The City's General Fund balance as of June 30, 2009, is \$5,224,278. This is an increase of \$16,694 from last year's balance of \$5,207,584. 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 2.0% from a 2008 level of \$7,174,379 to \$7,363,412. However, housing starts have decreased significantly, which may have a substantial impact on future general fund budgets
- The City received a total of \$22,408,253 in capital grants and contributions. These contributions consisted primarily of infrastructure assets, which were built by developers and then donated to the City.
- The City issued three additional Bonds during the fiscal year 2009. The first was in the amount of \$11,242,000 and will be used for The District tax improvement reimbursements. The second was a Sales Tax Bond in the amount of \$8,115,000 for construction capital projects to improve and add infrastructure assets. The third was a \$10,025,000 water revenue bond to construct water infrastructure.

### **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 29-31 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 sixteen individual governmental funds:

- General
- Debt Service
- Redevelopment Agency
- Municipal Building Authority
- Construction
- Street Lighting
- Storm Drain
- Recreation
- Fitness 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, 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 non-major governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 33-35 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 38-40 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 42 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 non-major 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 102.

## 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 \$285,308,472 as of June 30, 2009.

By far the largest portion of the City’s net assets (82.07%) 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 45,100,883	\$ 44,106,223	\$ 29,152,232	\$ 20,193,151	\$ 74,253,115	\$ 64,299,374
Capital assets	214,993,563	195,032,001	105,748,365	97,540,145	320,741,928	292,572,146
Total assets	260,094,446	239,138,224	134,900,597	117,733,296	394,995,043	356,871,520
Long-term debt outstanding	47,780,593	31,436,964	43,041,400	34,241,989	90,821,993	65,678,953
Other liabilities	17,012,803	16,756,529	1,870,887	1,719,574	18,883,690	18,476,103
Total liabilities	64,793,396	48,193,493	44,912,287	35,961,563	109,705,683	84,155,056
Net assets						
Invested in capital assets, net of related debt	173,288,801	164,633,436	65,826,404	66,417,595	239,115,205	231,051,031
Restricted	5,287,778	6,817,249	5,357,126	4,188,003	10,644,904	11,005,252
Unrestricted	16,724,471	19,494,046	18,804,780	11,166,135	35,529,251	30,660,181
Total net assets	\$ 195,301,050	\$ 190,944,731	\$ 89,988,310	\$ 81,771,733	\$ 285,289,360	\$ 272,716,464

An additional portion of the City's net assets (3.70%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$35,529,251 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2009, 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, 2009. Net Assets for governmental activities increased by \$4,279,949, which is a decrease of \$18,550,097 from the previous year. Business-type activities increased by \$8,216,577, which represents an increase of \$1,687,868 from the previous year. One of the factors contributing to a decrease in Net Assets in Governmental Funds 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. The increase in Net Assets for business-type Activities is due to transfers from General Government for additional infrastructure construction.

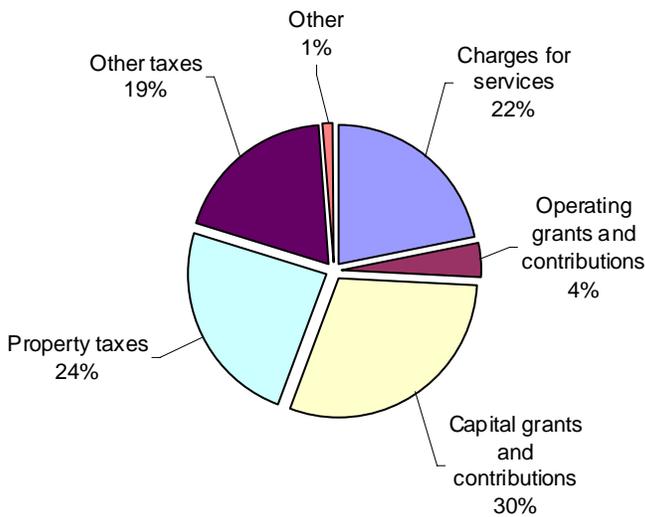
**CITY OF SOUTH JORDAN'S CHANGES IN NET ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 12,169,002	\$ 16,146,718	\$ 17,564,603	\$ 18,155,162	\$ 29,733,605	\$ 34,301,880
Operating grants and contributions	2,239,958	1,878,241	-	-	2,239,958	1,878,241
Capital grants and contributions	16,470,876	20,049,268	5,937,377	4,272,734	22,408,253	24,322,002
General Revenues:						
Property taxes	13,403,866	11,456,293	-	-	13,403,866	11,456,293
Other taxes	10,645,840	10,277,909	-	-	10,645,840	10,277,909
Other	505,683	995,130	-	-	505,683	995,130
Total revenues	<u>55,435,225</u>	<u>60,803,559</u>	<u>23,501,980</u>	<u>22,427,896</u>	<u>78,937,205</u>	<u>83,231,455</u>
Expenses:						
General Government	25,539,947	12,496,178	-	-	25,539,947	12,496,178
Community Development	2,666,063	4,307,929	-	-	2,666,063	4,307,929
Public Works	8,784,355	8,152,171	-	-	8,784,355	8,152,171
Public Safety	9,977,739	9,085,813	-	-	9,977,739	9,085,813
Parks & Recreation	2,482,574	2,797,001	-	-	2,482,574	2,797,001
Interest on Long-Term Debt	1,877,795	1,364,267	-	-	1,877,795	1,364,267
Water	-	-	12,039,188	11,634,967	12,039,188	11,634,967
Sanitation	-	-	1,941,646	1,929,607	1,941,646	1,929,607
Mulligans	-	-	1,228,199	1,273,851	1,228,199	1,273,851
Total Expenses	<u>51,328,473</u>	<u>38,203,359</u>	<u>15,209,033</u>	<u>14,838,425</u>	<u>66,537,506</u>	<u>53,041,784</u>
Gain on Sale of Capital Assets	<u>173,197</u>	<u>229,846</u>	<u>-</u>	<u>-</u>	<u>173,197</u>	<u>229,846</u>
Increase (decrease) in net assets before transfers	4,279,949	22,830,046	8,292,947	7,589,471	12,572,896	30,419,517
Transfers	76,370	1,060,762	(76,370)	(1,060,762)	-	-
Increase in net assets	<u>4,356,319</u>	<u>23,890,808</u>	<u>8,216,577</u>	<u>6,528,709</u>	<u>12,572,896</u>	<u>30,419,517</u>
Net assets, beginning	<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>
Net assets, ending	<u>\$ 195,301,050</u>	<u>\$ 190,944,731</u>	<u>\$ 89,988,310</u>	<u>\$ 81,771,733</u>	<u>\$ 285,289,360</u>	<u>\$ 272,716,464</u>

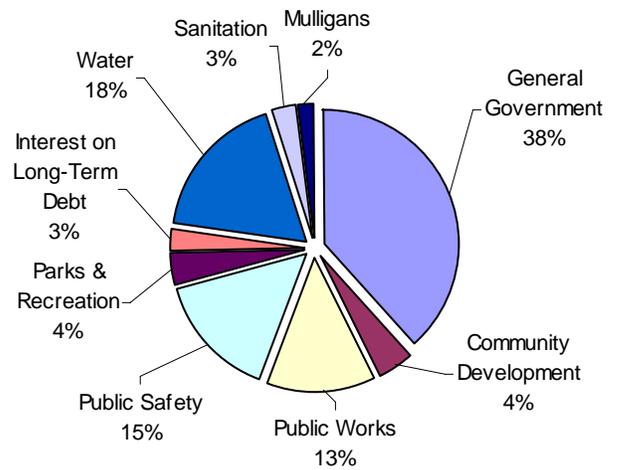
The largest source of revenue from charges for services is impact fees, and property taxes are the primary source of general revenue. Most of the City’s operating grants are related to public safety, while capital grants consist mostly of donated infrastructure assets.

The following two graphs displays South Jordan’s government-wide revenues and expenses for the fiscal year ended June 30, 2009.

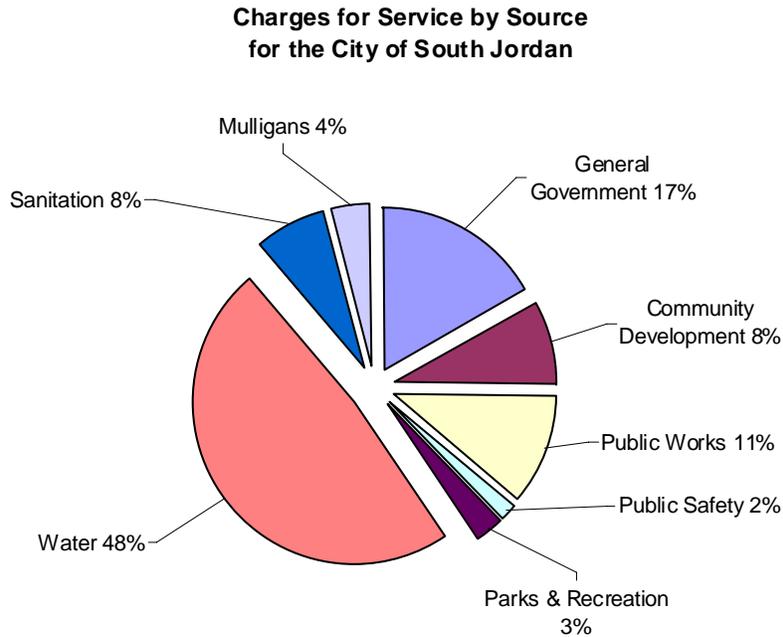
**Total Revenues  
Government-Wide Operations  
of the City of South Jordan**



**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, 2009.



**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.

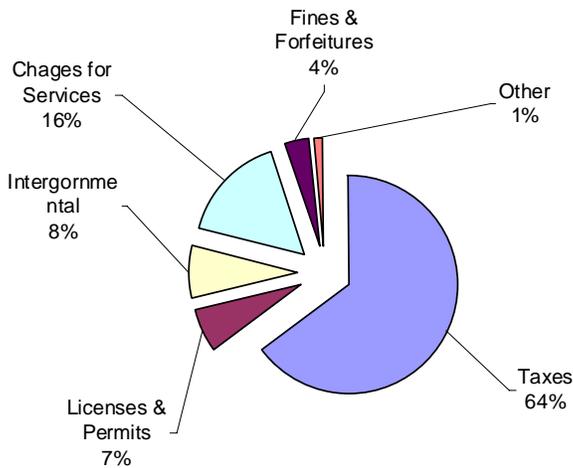
As of June 30, 2009, The City’s governmental funds (General, Capital Projects, Debt Service, RDA, & Special Revenue) reported combined fund balances of \$22,130,036. This represents an increase of \$1,005,975 over last year’s ending balances. Approximately 76 percent of the total fund balance, \$16,715,318 constitutes *unreserved fund balance*. This includes \$7,549,336, 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*

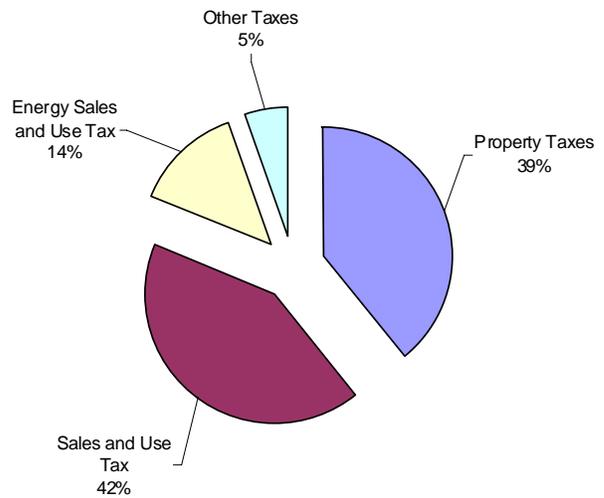
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund. Revenues exceeded expenditures in the General Fund by \$16,694 during the year.

Taxes continue to be the largest source of revenue in the General Fund and represent 64 percent of total general fund revenues. The largest component of tax revenue is sales tax, which represents 42 percent of total tax revenues and 27 percent of total general fund revenues. This compares with 24 percent of total general fund revenues in the prior fiscal year ended June 30, 2008. General Fund expenditures increased from \$23,133,684 in 2008 to \$23,847,900 in 2009. This represents a 2.9% increase.

City of South Jordan  
General Fund Revenue by Source

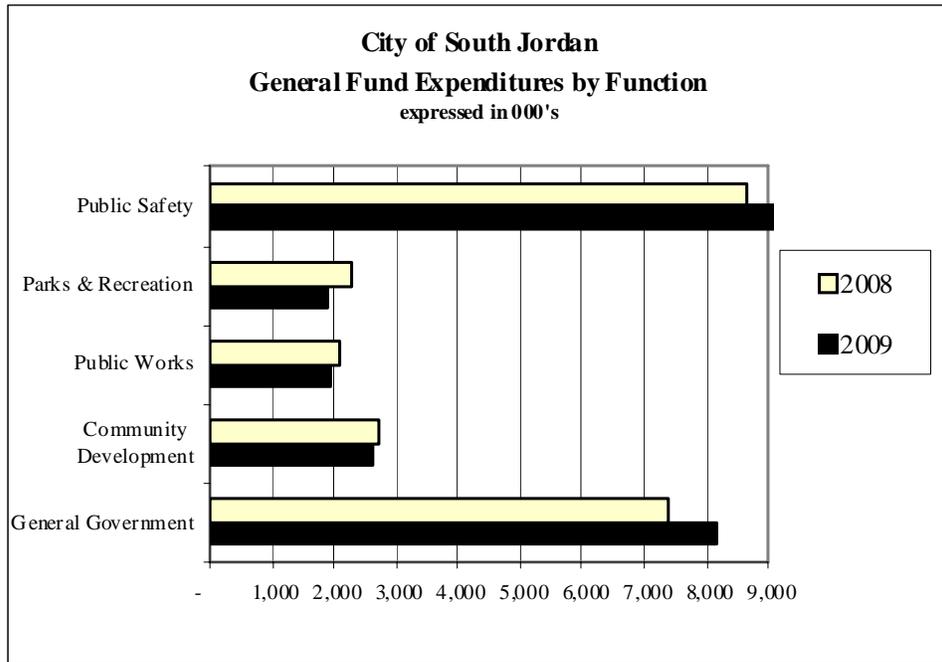


City of South Jordan  
Tax Revenue by Type



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

The following chart compares general fund expenditures by function between 2008 and 2009.



*Other Governmental Funds*

Highlights from the City’s other major governmental funds show indicators of a rapidly growing city. During FY 2009, property tax collections from redevelopment areas increased 19 percent to a total of \$6,240,766 during the same period. Total payments for debt service increased from \$3,842,924 in 2008 to \$4,845,712 in 2009. This includes debt paid both in the Debt Service fund and in the Municipal Building Authority fund.

Finally, capital expenditures totaled \$10,812,413 in the Construction fund and \$11,445,836 for the City as a whole. The fund balance in the Construction fund increased by \$1,174,937. This increase was due to an additional sales tax bond issued net of 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 \$7,606,006 to \$9,306,314; decreased from \$3,380,368 to \$3,222,409 in the sanitation fund, and decreased from \$179,761 to \$128,798 in the Mulligan’s fund.

During FY 2008-2009, water rates were adjusted to keep pace with the City’s increased cost to purchase water. The base rate for residential customers increased to \$34.88 per month with consumption rates ranging from \$1.55 to \$2.36 per thousand gallons. The base rate for commercial customers increased from \$70.11 per month to \$73.98 per month with consumptions rates ranging from \$1.84 per thousand gallons to \$2.91 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 was amended from an original budget expenditure total of \$26,039,111 to a final budget of \$24,944,004. 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 \$294,731
- Community Development decreased by \$126,300
- Public Works decreased by \$207,794
- Public Safety decreased by \$183,147
- Parks and Recreation decreased by \$283,135

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 \$877,843. Actual expenditures were less than budgeted expenditures by \$1,096,104. 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, 2009, amounts to \$320,741,928 (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 25% (a 27% increase for governmental activities and a 20% increase for business-type activities).

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

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2007
Land	\$ 55,362,052	\$ 46,223,032	\$ 12,134,910	\$ 12,134,909	\$ 67,496,962	\$ 58,357,941
Water Shares	-	-	18,915,169	18,787,244	18,915,169	18,787,244
Buildings	15,578,320	15,452,060	1,321,906	1,401,835	16,900,226	16,853,895
Improvements	18,615,289	13,228,941	70,392,219	61,293,246	89,007,508	74,522,187
Machinery & Equip	4,685,510	5,387,000	1,309,710	998,431	5,995,220	6,385,431
Infrastructure	110,185,185	106,789,666	-	-	110,185,185	106,789,666
Const in Progress	10,567,207	7,951,302	1,674,451	2,924,481	12,241,658	10,875,783
Total Capital Assets	\$ 214,993,563	\$ 195,032,001	\$ 105,748,365	\$ 97,540,145	\$ 320,741,928	\$ 292,572,146

Major capital asset events during FY 08-09 include the following:

- \$16,470,896 in contributed infrastructure assets including \$8,257,442 in land beneath roads contributed to the City.
- Upgrades to the City’s culinary water system totaling \$10,338,129.
- During the year, the City spent just over \$5.1 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 in footnote 7 on page 58-59 of this report.

**Long-term debt.** As of June 30, 2009, the City had a total bonded debt outstanding of \$87,532,501 including premium & discount. 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	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessment debt with governmental commitment	5,266	5,770	-	-	5,266	5,770
Revenue Bonds	39,505	22,235	42,550	33,905	82,055	56,140
Total bonded debt	\$ 44,771	\$ 28,005	\$ 42,550	\$ 33,905	\$ 87,321	\$ 61,910

The City’s total bonded debt increased by \$25,411,000 during the 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”; the series 2009 Water 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 \$171,196,221, 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 \$513,588,662, 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 2009 was 2.7%. This compares with a national unemployment rate of 7.6%. The 2008 unemployment rate for the City of South Jordan was 1.9%. (Source: Bureau of Labor Statistics)
- The General Fund budget for the fiscal year ending June 30, 2010 reflects an increase of 4.12% over the final budget for the fiscal year-ended June 30, 2009.
- All rates the City charges for services are evaluated annually. Water rates were adjusted April 1, 2009, in accordance with the City's water rate study. The water rate study recommended a rate increase of 6%, which took place during the summer of 2009.

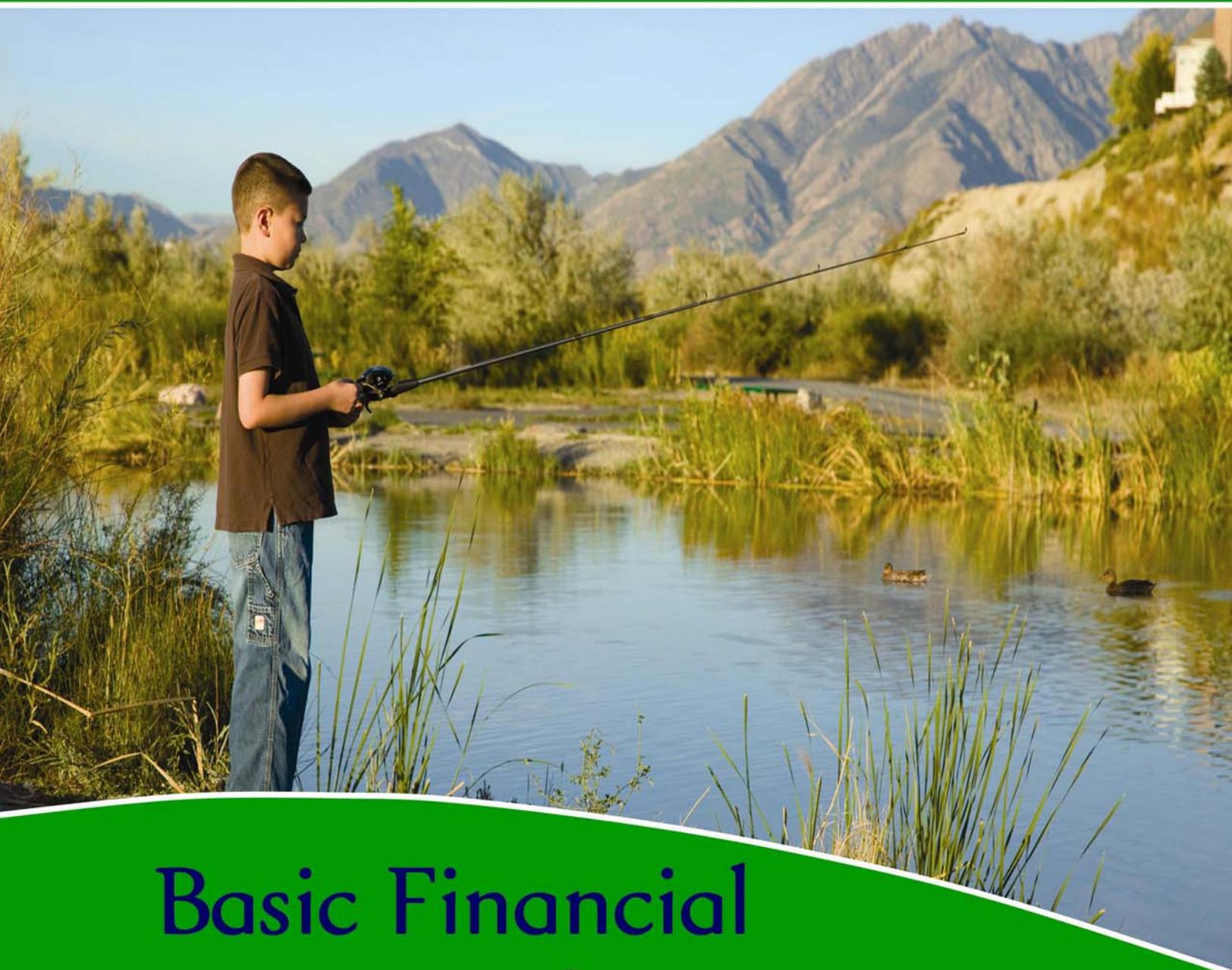
## **REQUEST FOR INFORMATION**

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](mailto:snaidu@sjc.utah.gov).

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SOUTH JORDAN



# Basic Financial Statements



SOUTH JORDAN

# Government-Wide Financial Statements



SOUTH JORDAN

## CITY OF SOUTH JORDAN

### Statement of Net Assets June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 21,593,147	\$ 12,025,030	\$ 33,618,177
Restricted Cash	2,365,613	10,866,846	13,232,459
Receivables	20,331,325	3,037,341	23,368,666
Prepaid	35,043	-	35,043
Interfund Balances	21,970	(21,970)	-
Inventories	10,612	44,088	54,700
Other Assets	-	2,348,935	2,348,935
Bond Issuance Costs (Net)	743,173	851,962	1,595,135
Capital Assets net of depreciation:			
Land	55,362,052	12,134,910	67,496,962
Water Shares	-	18,915,169	18,915,169
Buildings	15,578,320	1,321,906	16,900,226
Improvements	128,800,474	70,392,219	199,192,693
Machinery & Equipment	4,685,510	1,309,710	5,995,220
Construction in Progress	10,567,207	1,674,451	12,241,658
<b>Total Assets</b>	<b>260,094,446</b>	<b>134,900,597</b>	<b>394,995,043</b>
<b>LIABILITIES</b>			
Accounts Payable	1,911,818	1,341,323	3,253,141
Unearned Revenue	11,907,857	-	11,907,857
Other Liabilities	2,470,418	122,040	2,592,458
Accrued Interest Payable	722,710	407,524	1,130,234
Long-term Liabilities			
Due Within One Year	3,456,940	2,072,195	5,529,135
Due in More Than One Year	44,323,653	40,969,205	85,292,858
<b>Total Liabilities</b>	<b>64,793,396</b>	<b>44,912,287</b>	<b>109,705,683</b>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	173,288,801	65,826,404	239,115,205
Restricted for:			
Impact Fees	2,399,492	3,706,120	6,105,612
Debt Service	2,365,613	1,651,006	4,016,619
Perpetual Care			
Expendable	185,770	-	185,770
Non-expendable	336,903	-	336,903
Unrestricted	16,724,471	18,804,780	35,529,251
<b>Total Net Assets</b>	<b>\$ 195,301,050</b>	<b>\$ 89,988,310</b>	<b>\$ 285,289,360</b>

*See accompanying notes.*

## CITY OF SOUTH JORDAN

Statement of Activities  
For the Year Ended June 30, 2009

Activities	<u>Expenses</u>	Program Revenues		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government				
Governmental:				
General Government	\$ 25,539,947	\$ 5,302,021	\$ 87,782	\$ -
Community Development	2,666,063	2,626,351	-	-
Public Works	8,784,355	3,434,446	1,684,316	16,470,876
Public Safety	9,977,739	558,538	406,871	-
Parks & Recreation	2,482,574	247,646	60,989	-
Interest on Long-Term Debt	1,877,795	-	-	-
Total Governmental Activities	51,328,473	12,169,002	2,239,958	16,470,876
Business-type:				
Water	12,039,188	14,061,525	-	5,937,377
Sanitation	1,941,646	2,270,385	-	-
Mulligan's	1,228,199	1,232,693	-	-
Total Business-type Activities	15,209,033	17,564,603	-	5,937,377
Total Primary Government	66,537,506	29,733,605	2,239,958	22,408,253

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
\$ (20,150,144)	\$ -	\$ (20,150,144)
(39,712)	-	(39,712)
12,805,283	-	12,805,283
(9,012,330)	-	(9,012,330)
(2,173,939)	-	(2,173,939)
(1,877,795)	-	(1,877,795)
<u>(20,448,637)</u>	<u>-</u>	<u>(20,448,637)</u>
-	7,959,714	7,959,714
-	328,739	328,739
-	4,494	4,494
-	<u>8,292,947</u>	<u>8,292,947</u>
<u>(20,448,637)</u>	<u>8,292,947</u>	<u>(12,155,690)</u>
13,403,866	-	13,403,866
7,363,412	-	7,363,412
2,363,720	-	2,363,720
918,708	-	918,708
173,197	-	173,197
505,683	-	505,683
76,370	(76,370)	-
<u>24,804,956</u>	<u>(76,370)</u>	<u>24,728,586</u>
4,356,319	8,216,577	12,572,896
190,944,731	81,771,733	272,716,464
<u>\$ 195,301,050</u>	<u>\$ 89,988,310</u>	<u>\$ 285,289,360</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.



SOUTH JORDAN

**CITY OF SOUTH JORDAN**

Balance Sheet  
Governmental Funds  
June 30, 2009

	General	Debt Service	Special Revenue RDA	Capital Projects Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 6,555,787	\$ 153,140	\$ 2,041,878	\$ 10,541,052	\$ 2,301,290	\$ 21,593,147
Restricted for Debt Service	-	863,500	-	775,250	726,863	2,365,613
Receivables	9,266,610	5,266,000	5,536,792	116,328	145,595	20,331,325
Inventories	10,612	-	-	-	-	10,612
Due from other funds	-	-	-	21,970	-	21,970
Prepaid Expense	35,043	-	-	-	-	35,043
Total Assets	<u>\$ 15,868,052</u>	<u>\$ 6,282,640</u>	<u>\$ 7,578,670</u>	<u>\$ 11,454,600</u>	<u>\$ 3,173,748</u>	<u>\$ 44,357,710</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and Accrued Liabilities	1,166,898	-	12,893	597,118	134,909	1,911,818
Construction Bonds and Refunds	2,453,342	-	-	17,076	-	2,470,418
Deferred Revenue	671,581	5,266,000	-	-	-	5,937,581
Unearned Revenue	6,351,953	-	5,536,792	-	19,112	11,907,857
Total Liabilities	<u>10,643,774</u>	<u>5,266,000</u>	<u>5,549,685</u>	<u>614,194</u>	<u>154,021</u>	<u>22,227,674</u>
<b>FUND BALANCES</b>						
Reserved for:						
Debt Service	-	863,500	-	775,250	726,863	2,365,613
Impact Fees	-	-	-	2,399,492	-	2,399,492
Long-term Note Receivable	-	-	-	116,328	-	116,328
Perpetual Care	-	-	-	-	336,903	336,903
Inventory	10,612	-	-	-	-	10,612
Unreserved, Reported In						
General Fund	5,213,666	-	-	-	-	5,213,666
Capital Projects Funds	-	-	-	7,549,336	-	7,549,336
Debt Service Funds	-	153,140	-	-	-	153,140
Special Revenue Funds	-	-	2,028,985	-	1,770,191	3,799,176
Permanent Funds	-	-	-	-	185,770	185,770
Total Fund Balances	<u>5,224,278</u>	<u>1,016,640</u>	<u>2,028,985</u>	<u>10,840,406</u>	<u>3,019,727</u>	<u>22,130,036</u>
Total Liabilities and Fund Balances	<u>\$ 15,868,052</u>	<u>\$ 6,282,640</u>	<u>\$ 7,578,670</u>	<u>\$ 11,454,600</u>	<u>\$ 3,173,748</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.	214,993,563
Other long-term assets are not available to pay for current-period expenditures.	5,937,581
Long-term liabilities, including bonds payable, are not due and payable in the current period.	<u>(47,760,130)</u>
Net assets of governmental activities	<u>\$ 195,301,050</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, 2009

	Special Revenue		
	General	Debt Service	RDA
<b>REVENUES</b>			
Taxes	\$ 17,498,140	\$ -	\$ 6,240,766
Licenses & Permits	1,829,604	-	-
Intergovernmental	2,078,970	-	-
Charges for Services	4,348,444	-	-
Fines & Forfeitures	1,001,232	-	-
Special Assessments	-	711,536	-
Interest	261,353	30,701	43,773
Impact Fees	-	-	-
Miscellaneous	110,027	149,489	2,500
Total Revenues	27,127,770	891,726	6,287,039
<b>EXPENDITURES</b>			
<b>Current</b>			
General Government	8,141,349	-	420,755
Community Development	2,622,687	-	-
Public Works	1,954,636	-	-
Public Safety	9,248,471	-	-
Parks and Recreation	1,880,757	-	-
Tax Increment Distributions	-	-	13,696,931
Capital Outlay & Projects	-	-	525,317
<b>Debt Service</b>			
Principal Retirement	-	1,882,821	984,617
Interest and Fees	-	987,889	267,052
Issuance Cost	-	-	73,500
Total Expenditures	23,847,900	2,870,710	15,968,172
Excess (Deficiency) of Revenues over Expenditures	3,279,870	(1,978,984)	(9,681,133)
<b>Other Financing Sources (Uses)</b>			
Issuance of Long-Term Debt	-	-	11,242,000
Bond Premium	-	-	-
Sale of Capital Assets	150,000	-	100,000
Transfers In	646,491	1,988,242	-
Transfers Out	(4,059,667)	-	(798,087)
Total Other Financing Sources (Uses)	(3,263,176)	1,988,242	10,543,913
Net Change in Fund Balance	16,694	9,258	862,780
Fund Balances - July 1	5,207,584	1,007,382	1,166,205
Fund Balances - June 30	\$ 5,224,278	\$ 1,016,640	\$ 2,028,985

*See accompanying notes.*

<u>Capital Projects</u>		
<u>Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ 23,738,906
-	-	1,829,604
100,000	60,989	2,239,959
-	2,185,488	6,533,932
-	-	1,001,232
-	-	711,536
112,075	57,781	505,683
1,572,054	-	1,572,054
700,928	61,677	1,024,621
<u>2,485,057</u>	<u>2,365,935</u>	<u>39,157,527</u>
-	2,306,493	10,868,597
-	-	2,622,687
212,598	1,285,555	3,452,789
-	-	9,248,471
-	-	1,880,757
-	-	13,696,931
10,599,815	108,106	11,233,238
-	360,000	3,227,438
-	363,333	1,618,274
185,909	-	259,409
<u>10,998,322</u>	<u>4,423,487</u>	<u>58,108,591</u>
<u>(8,513,265)</u>	<u>(2,057,552)</u>	<u>(18,951,064)</u>
8,115,000	-	19,357,000
216,708	-	216,708
56,961	-	306,961
2,888,475	2,512,983	8,036,191
<u>(1,588,942)</u>	<u>(1,513,125)</u>	<u>(7,959,821)</u>
<u>9,688,202</u>	<u>999,858</u>	<u>19,957,039</u>
1,174,937	(1,057,694)	1,005,975
9,665,469	4,077,421	21,124,061
<u>\$ 10,840,406</u>	<u>\$ 3,019,727</u>	<u>\$ 22,130,036</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, 2009

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

Net Change in Fund Balance -- Total Governmental Funds \$ 1,005,975

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. 3,624,431

The net effect of various miscellaneous transactions involving capital assets  
 (i.e., sales, trade-ins, and donations) is to decrease net assets. 16,337,132

Revenues in the statement of activities that do not provide current financial  
 resources are not reported as revenues in the funds. (193,200)

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. (16,025,040)

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. (392,979)

Change in net assets of governmental activities \$ 4,356,319

*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.



SOUTH JORDAN

# CITY OF SOUTH JORDAN

## Statement of Net Assets Proprietary Funds June 30, 2009

	Business-type Activities - Enterprise Funds			
	Water	Sanitation	Mulligans	Total
	Fund	Fund	Fund	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents	\$ 11,267,394	\$ 723,143	\$ 34,493	\$ 12,025,030
Accounts Receivable	2,768,029	269,312	-	3,037,341
Inventories	35,470	-	8,618	44,088
Total Current Assets	14,070,893	992,455	43,111	15,106,459
<b>Noncurrent Assets</b>				
Restricted Cash	10,142,769	-	724,077	10,866,846
Investment in Landfill	-	2,348,935	-	2,348,935
Bond Issuance Costs	1,170,680	-	282,151	1,452,831
Accumulated Amortization	(553,844)	-	(47,025)	(600,869)
<b>Capital Assets</b>				
Land	2,117,963	-	10,016,947	12,134,910
Water Shares	18,915,169	-	-	18,915,169
Buildings and Structures	1,260,345	-	699,800	1,960,145
Improvements - Other than Buildings	85,465,004	-	293,083	85,758,087
Machinery and Equipment	1,495,993	1,007,793	328,967	2,832,753
Construction in Progress	1,674,451	-	-	1,674,451
Less Accumulated Depreciation	(16,660,094)	(304,885)	(562,171)	(17,527,150)
Capital Assets (Net of Accum Depreciation)	94,268,831	702,908	10,776,626	105,748,365
Total Noncurrent Assets	105,028,436	3,051,843	11,735,829	119,816,108
Total Assets	119,099,329	4,044,298	11,778,940	134,922,567
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	1,216,725	109,387	15,211	1,341,323
Accrued Liabilities	40,749	3,551	37,845	82,145
Interest Payable	340,531	3,984	63,009	407,524
Due to Other Funds	-	-	21,970	21,970
Construction Bonds and Refunds	39,895	-	-	39,895
Current Portion Compensated Absences	35,707	2,059	11,403	49,169
Current Portion Bonds Payable	1,705,000	-	195,000	1,900,000
Current Portion Capital Leases Payable	19,817	103,209	-	123,026
Total Current Liabilities	3,398,424	222,190	344,438	3,965,052
<b>Noncurrent Liabilities</b>				
Bonds & Leases Payable net of unamortized refunding bond cost	35,149,415	-	5,819,790	40,969,205
Total Noncurrent Liabilities	35,149,415	-	5,819,790	40,969,205
Total Liabilities	38,547,839	222,190	6,164,228	44,934,257
<b>NET ASSETS</b>				
Investment in Capital Assets, net of related debt	66,612,127	599,699	4,761,836	71,973,662
<b>Restricted for:</b>				
Impact Fees	3,706,120	-	-	3,706,120
Debt Service	926,929	-	724,077	1,651,006
Unrestricted	9,306,314	3,222,409	128,799	12,657,522
Total Net Assets	\$ 80,551,490	\$ 3,822,108	\$ 5,614,712	\$ 89,988,310

*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, 2009

	Business-type Activities - Enterprise Funds			Total
	Water Fund	Sanitation Fund	Mulligan's Fund	
Operating Revenues				
Charges for Services				
Operations	\$ -	\$ 2,331,681	\$ 1,227,917	\$ 3,559,598
Pledged as Security for Revenue Bonds	13,409,766	-	-	13,409,766
Miscellaneous	361,964	200	869	363,033
Total Operating Revenue	<u>13,771,730</u>	<u>2,331,881</u>	<u>1,228,786</u>	<u>17,332,397</u>
Operating Expenses				
Costs of Services	6,458,194	1,557,308	834,913	8,850,415
General and Administrative	1,490,136	305,751	-	1,795,887
Depreciation	2,726,712	74,603	126,801	2,928,116
Total Operating Expenses	<u>10,675,042</u>	<u>1,937,662</u>	<u>961,714</u>	<u>13,574,418</u>
Operating Income (Loss)	<u>3,096,688</u>	<u>394,219</u>	<u>267,072</u>	<u>3,757,979</u>
Non-Operating Revenues (Expenses)				
Increase (Decrease) in Joint Venture	-	(61,496)	-	(61,496)
Interest	289,795	-	3,907	293,702
Gain (Loss) on Sale of Capital Assets	1,000	-	-	1,000
Amortization of Bond Issuance Costs	(44,250)	-	(11,756)	(56,006)
Interest & Fees	(1,320,896)	(3,984)	(254,729)	(1,579,609)
Total Non-Operating Revenue (Expenses)	<u>(1,074,351)</u>	<u>(65,480)</u>	<u>(262,578)</u>	<u>(1,402,409)</u>
Income (Loss) Before Contributions and Transfers	<u>2,022,337</u>	<u>328,739</u>	<u>4,494</u>	<u>2,355,570</u>
Contributions and Transfers				
Capital Contributions, Impact Fees and Other	5,937,377	-	-	5,937,377
Transfers In	-	-	100,000	100,000
Transfers Out	(10,934)	(164,967)	(469)	(176,370)
Total Contributions & Transfers	<u>5,926,443</u>	<u>(164,967)</u>	<u>99,531</u>	<u>5,861,007</u>
Change in Net Assets	<u>7,948,780</u>	<u>163,772</u>	<u>104,025</u>	<u>8,216,577</u>
Total Net Assets - Beginning	<u>72,602,711</u>	<u>3,658,336</u>	<u>5,510,686</u>	<u>81,771,733</u>
Total Net Assets - Ending	<u>\$ 80,551,491</u>	<u>\$ 3,822,108</u>	<u>\$ 5,614,711</u>	<u>\$ 89,988,310</u>

*See accompanying notes.*

## CITY OF SOUTH JORDAN

### Statement of Cash Flows

#### Proprietary Funds

For The Year Ended June 30, 2009

	Water Fund	Sanitation Fund	Mulligans	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 13,264,127	\$ 2,370,582	\$ 1,228,786	\$ 16,863,495
Payments to Suppliers	(5,558,347)	(1,471,482)	(854,067)	(7,883,896)
Interfund Services	(1,490,136)	(305,751)	-	(1,795,887)
Payments to Employees	(804,463)	(96,496)	(7,615)	(908,574)
Net cash provided (used ) by operating activities	<u>5,411,181</u>	<u>496,853</u>	<u>367,104</u>	<u>6,275,138</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Proceeds from Beckstead Canal	-	-	-	-
Transfers In	-	-	100,000	100,000
Transfers Out	(10,934)	(164,967)	(469)	(176,370)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(10,934)</u>	<u>(164,967)</u>	<u>99,531</u>	<u>(76,370)</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>				
Impact fees	750,308	-	-	750,308
Purchase of capital assets	(5,563,310)	(296,960)	(88,000)	(5,948,270)
Proceeds from Developer Contribution	-	-	-	-
Proceeds from capital debt	10,025,000	-	-	10,025,000
Bond Premium	282,956	-	-	282,956
Payment of bond issuance costs	(174,151)	-	-	(174,151)
Principal paid on capital debt	(1,209,080)	(99,374)	(200,170)	(1,508,624)
Payment of bond refunding costs	-	-	-	-
Interest paid on capital debt	(1,247,345)	(7,820)	(250,953)	(1,506,118)
Net cash provided (used) by capital and related financing activities	<u>2,864,378</u>	<u>(404,154)</u>	<u>(539,123)</u>	<u>1,921,101</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest Income	289,795	-	3,907	293,702
Net increase (decrease) in cash and cash equivalents	<u>8,554,420</u>	<u>(72,268)</u>	<u>(68,581)</u>	<u>8,413,571</u>
Cash and cash equivalents - beginning of year	<u>12,855,745</u>	<u>795,412</u>	<u>827,148</u>	<u>14,478,305</u>
Cash and cash equivalents - end of year	<u>\$ 21,410,165</u>	<u>\$ 723,144</u>	<u>\$ 758,567</u>	<u>\$ 22,891,876</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ 3,096,688	\$ 394,219	\$ 267,072	\$ 3,757,979
Adjustments to reconcile operating income to net cash provided (Used) by operating activities:				
Depreciation expense	2,726,712	74,603	126,801	2,928,116
(Increase) decrease in receivables	(585,022)	38,701	-	(546,321)
(Increase) decrease in inventory	65,820	-	1,813	67,633
(Increase) decrease in other current assets	-	-	-	-
Increase (decrease) in accounts payable	81,457	(10,809)	(20,967)	49,681
Increase (decrease) in accrued liabilities	14,360	32	(5,375)	9,017
Increase (decrease) in accrued vacation and sick leave	11,166	107	(2,240)	9,033
Total Adjustments	<u>2,314,493</u>	<u>102,634</u>	<u>100,032</u>	<u>2,517,159</u>
Net cash provided (used) by operating activities	<u>\$ 5,411,181</u>	<u>\$ 496,853</u>	<u>\$ 367,104</u>	<u>\$ 6,275,138</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	\$ 5,187,069	\$ -	\$ -	\$ 5,187,069
Increase(decrease) in equity investment in Trans-Jordan Landfill	-	(61,496)	-	(61,496)

*See accompanying notes.*



# Notes to the Financial Statements



SOUTH JORDAN

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**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**  
**JUNE 30, 2009**

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**NOTE 1 - SUMMARY (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 Town Center Drive  
South Jordan City, Utah 84095

South Jordan City Redevelopment Agency  
1600 West Town 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  
JUNE 30, 2009

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**NOTE 1 - SUMMARY (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  
JUNE 30, 2009

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**NOTE 1 - SUMMARY (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  
JUNE 30, 2009

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**NOTE 1 - SUMMARY (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.

**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.

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 1 - SUMMARY (CONTINUED)**

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.

**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 1<sup>st</sup>. Taxes are levied on all business personal property on January 1<sup>st</sup> and real estate and improvement taxes are levied on January 1<sup>st</sup> and are payable by November 30<sup>th</sup>. 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.

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 1 - SUMMARY (CONTINUED)**

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 22<sup>nd</sup> 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.

**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**

CITY OF SOUTH JORDAN  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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**NOTE 2 – RECONCILIATION (CONTINUED)**

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	\$270,641,635
Accumulated depreciation	<u>( 55,648,072)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 214,993,563</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.

Bonds payable	\$ 44,771,000
Less: Deferred charge for issuance Costs - (to be amortized over life of debt)	( 743,173)
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(396,564)
Plus: Bond premium (to be amortized to interest income)	288,860
Accrued interest payable	722,710
Capital lease payable	1,093,617

CITY OF SOUTH JORDAN  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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**NOTE 2 – RECONCILIATION (CONTINUED)**

Compensated absences	984,918
Claims and Judgments	128,815
Notes Payable	<u>909,947</u>
 Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	 <u>\$ 47,760,130</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	\$5,266,000
Delinquent property taxes	<u>671,581</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 5,937,581</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net 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	\$ 11,233,238
Depreciation expense	<u>( 7,608,807)</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>\$ 3,624,431</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.”

CITY OF SOUTH JORDAN  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2009

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**NOTE 2 – RECONCILIATION (CONTINUED)**

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. (\$ 133,764)

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 16,470,896

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* \$16,337,132

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	(\$504,000)
Delinquent property taxes	<u>310,800</u>
Net adjustments	<u>(\$193,200)</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:	
Redevelopment Agency Bond	(\$ 11,242,000)
Sales Tax Bond	(8,115,000)
Issuance cost amortization	(69,805)
Bond Issuance Costs	259,409
Deferred Refunding Costs amortization	<u>( 22,989)</u>
Total debt incurred	<u>(19,190,385)</u>

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 2 – RECONCILIATION (CONTINUED)**

Principal payments		
Capital leases		420,551
Municipal Building Authority bond		360,000
Excise tax road bond		320,000
Sales tax revenue bond		415,000
Sales tax refunding bond		50,000
Special improvement Refunding bond		504,000
Redevelopment Agency bond		942,000
Notes payable		297,592
Claims and judgments		53,651
Bond Premium		(216,708)
Bond premium amortization		<u>19,257</u>
Total principal payments		<u>3,165,345</u>

Net adjustments to decrease *net changes in fund balances-total governmental funds* to arrive at *changes in net assets of governmental activities* (\$ 16,025,040)

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	(\$ 128,985)
Accrued interest	<u>( 263,994)</u>

Net adjustment to decrease *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities* (\$ 392,979)

**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**  
**JUNE 30, 2009**

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**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 22<sup>nd</sup>, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1<sup>st</sup>.
- 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.

**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, 2009 the City's cash balance consisted of the following:

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

	<u>Total Cash from All Fund Types</u>
Cash, Cash Equivalents, and Temporary Cash Investments	\$46,438,073
Cash and Cash Equivalents – Permanent Fund	<u>412,563</u>
Total Cash and Cash Equivalents	<u>\$46,850,636</u>

While the City’s carrying amount of deposits was \$46,850,636 the balance in the City’s bank account and cash on hand was \$47,724,846, 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, 2009 the Deposits are as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2009</u>
Checking and Cash on Hand	Insured	\$ 57,292
Investment Sweep	Uninsured and Uncollateralized	<u>1,265,295</u>
Total Deposits		<u>\$ 1,322,587</u>

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The entire \$35,925,521 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**  
**JUNE 30, 2009**

**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, 2009:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More than 10	
Collateralized Money					
Market	\$ 20,501,285	\$ -	\$ -	\$ -	Unrated
Uncollateralized Money					
Market	59,834	-	-	-	Unrated
Utah Public Treasurer's					
Investment Fund	15,424,236	-	-	-	Unrated
Commercial Paper	2,696,160	-	-	-	A
U.S. Agencies	-	251,374	-	-	AAA
Corporate Notes	7,547,211	-	-	-	AA
Total Investments	\$ 46,228,726	\$ 251,374	\$ -	\$ -	

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**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.

**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	87,145	\$ -	\$ -	19,471	\$ 2,810,166	\$ 273,414	\$ 147,428	\$ 3,337,624
Property Tax	7,151,561	-	5,536,792	-	-	-	-	12,688,353
Other Taxes	1,606,371	-	-	-	-	-	-	1,606,371
Special								-
Assessments	-	5,266,000	-	-	-	-	-	5,266,000
Intergovernmental	421,532	-	-	96,857	-	-	-	518,389
Less Allowance								-
For uncollectible								-
Accounts	-	-	-	-	(42,137)	(4,102)	(1,833)	(48,072)
	<u>\$ 9,266,609</u>	<u>\$ 5,266,000</u>	<u>\$ 5,536,792</u>	<u>\$ 116,328</u>	<u>\$ 2,768,029</u>	<u>\$ 269,312</u>	<u>\$ 145,595</u>	<u>\$ 23,368,665</u>

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2009 is as follows:

Due to/ Due from other funds:

<u>Due From:</u>	<u>Due To:</u>	<u>Amount</u>
Capital Projects	Mulligans Fund	\$ 21,970

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, 2009 is \$11,351

**Interfund Transfers:**

				Transfer Out		Total
	General	Construction	RDA	Nonmajor Govrmtl.	Business Type	
Transfer In:						
General	\$ -	\$ -	\$ -	\$ 646,491	\$ -	\$ 646,491
Debt Service	415,536	1,096,643	76,485	392,299	7,279	1,988,242
Construction	1,916,168	-	-	807,587	164,720	2,888,475
Nonmajor Govtl.	1,727,963	-	721,602	28,491	4,371	2,482,427
Business Type	-	100,000	-	-	-	100,000
Total Transfer Out	<u>\$4,059,667</u>	<u>\$ 1,196,643</u>	<u>\$ 798,087</u>	<u>\$ 1,874,868</u>	<u>\$ 176,370</u>	<u>\$ 8,105,635</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>
Recreation Fees	\$ -	\$19,112
Property taxes receivable (general fund)	-	6,351,953
Delinquent Property Taxes (general fund)	671,581	-
Property taxes receivable (redevelopment agency)	-	5,536,792
Special assessments not yet due (debt service fund)	<u>5,266,000</u>	-
Total deferred/unearned revenue for governmental funds	<u>\$5,937,581</u>	<u>\$11,907,857</u>

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 7 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2009 was as follows:

<b>Primary Government</b>	Beginning			Ending
<b>Governmental activities:</b>	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 46,223,032	\$ 9,139,163		\$ 55,362,195
Construction in progress	7,951,302	4,877,262	2,261,499	10,567,065
Total capital assets not being depreciated	<u>54,174,334</u>	<u>14,016,425</u>	<u>2,261,499</u>	<u>65,929,260</u>
Capital assets being depreciated:				
Buildings	19,261,969	800,000		20,061,969
Machinery and equipment	11,722,644	906,865	369,168	12,260,341
Improvements	158,147,722	14,242,343	-	172,390,065
Total capital assets being depreciated	<u>189,132,335</u>	<u>15,949,208</u>	<u>369,168</u>	<u>204,712,374</u>
Less accumulated depreciation for:				
Buildings	3,809,909	673,740	-	4,483,649
Improvements	38,128,950	5,460,476	-	43,589,426
Machinery and equipment	6,335,808	1,474,591	235,403	7,574,996
Total accumulated depreciation	<u>48,274,667</u>	<u>7,608,807</u>	<u>235,403</u>	<u>55,648,071</u>
Total capital assets, being depreciated, net	<u>140,857,668</u>	<u>8,340,401</u>	<u>133,765</u>	<u>149,064,303</u>
Governmental activities capital assets, net	<u>\$ 195,032,001</u>	<u>\$ 22,356,826</u>	<u>\$ 2,395,264</u>	<u>\$ 214,993,563</u>
<b>Business-type activities:</b>	Beginning			Ending
	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 12,134,910	\$ -	\$ -	\$ 12,134,910
Construction in progress	2,924,478	1,222,921	2,472,948	1,674,451
Water Shares	18,787,245	127,925		18,915,170
Total capital assets not being depreciated	<u>33,846,633</u>	<u>1,350,846</u>	<u>2,472,948</u>	<u>32,724,531</u>
Capital assets being depreciated:				
Buildings	1,960,145	-	-	1,960,145
Improvements	74,081,930	11,676,156		85,758,086
Machinery and equipment	2,383,602	582,285	133,134	2,832,753
Total capital assets being depreciated	<u>78,425,677</u>	<u>12,258,441</u>	<u>133,134</u>	<u>90,550,984</u>
Less accumulated depreciation for:				
Buildings	558,307	79,932		638,239
Improvements	12,771,477	2,577,183		15,348,660
Machinery and equipment	1,402,382	271,003	133,134	1,540,251
Total accumulated depreciation	<u>14,732,166</u>	<u>2,928,116</u>	<u>133,134</u>	<u>17,527,150</u>
Total capital assets, being depreciated, net	<u>63,693,511</u>	<u>9,330,323</u>	<u>-</u>	<u>73,023,834</u>
Business-type activities capital assets, net	<u>\$ 97,540,144</u>	<u>\$ 10,681,169</u>	<u>\$ 2,472,948</u>	<u>\$ 105,748,365</u>

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 7 – CAPITAL ASSETS (CONTINUED)**

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

Governmental activities:	
General Government	\$ 927,200
Community Development	11,313
Parks and Recreation	588,948
Public Works	5,406,955
Public Safety	674,391
Total depreciation expense - governmental activities	<u>7,608,807</u>
Business-type activities:	
Water	2,726,714
Mulligans	126,801
Sanitation	74,603
Total depreciation expense - Business-Type Activities	<u>2,928,116</u>
Total depreciation expense	<u><u>\$ 10,536,925</u></u>

**Construction commitments**

The government has various construction projects as of June 30, 2009. 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**  
**JUNE 30, 2009**

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**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>(2,077,892)</u>
Total	<u>\$1,572,978</u>

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

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 8 - LEASE COMMITMENTS (CONTINUED)**

The present value of future minimum capital lease payments under these leases as of June 30, 2009

Fiscal Year	Governmental Amount	Business-type Amount	Total Amount
2010	\$ 424,983	\$ 127,776	\$ 552,759
2011	239,963		239,963
2012	239,965		239,965
2013	100,319		100,319
2014	100,319		100,319
2015-2019	100,319		100,319
Total Minimum lease payments	\$ 1,205,868	\$ 127,776	\$ 1,333,644
Less amounts representing interest	(112,231)	(4,750)	(116,981)
Present value of minimum lease payments	<u>\$ 1,093,637</u>	<u>\$ 123,026</u>	<u>\$ 1,216,663</u>

At June 30, 2009 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	\$ 1,093,637	\$ 123,026	\$ 1,216,663
Current Portion Capital Lease Payable	(381,766)	(123,027)	(504,793)
Long Term Capital Leases Payable	<u>\$ 711,871</u>	<u>\$ (1)</u>	<u>\$ 711,870</u>

**NOTE 9 - LONG-TERM DEBT**

Bonds and notes payable at June 30, 2009, 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: \$ 2,915,000

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% \$ 9,815,000

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**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%	\$7,675,000
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%	685,000
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.	310,000
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	4,710,000
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%	21,565,000
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%	5,940,000
2009 Redevelopment Agency Bond:	
\$11,242,000 Redevelopment Agency Bond due in annual Principal and interest payments through April 2020- Interest is at a rate of 4.395%	10,300,000

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

2009 Sales Tax Bond:

\$8,115,000 Sales Tax Bond due in annual principal and semi-annual interest payments through February 2024 – Interest is at a varying rate from 4.00-5.25% \$8,115,000

2009 Water Revenue Bond:

\$10,025,000 Water Revenue Bond due in annual principal and semi-annual interest payments through May 2024 – Interest is at a rate of 4.00-5.00% 10,025,000

Fiscal Year	Revenue Bonds			
	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2010	\$ 2,350,000	\$ 1,734,255	\$ 1,900,000	\$ 1,886,519
2011	2,439,000	1,634,386	2,000,000	1,780,557
2012	2,189,000	1,537,867	2,110,000	1,697,566
2013	2,254,000	1,441,978	2,180,000	1,605,784
2014	2,347,000	1,341,437	2,280,000	1,512,172
2015-2019	13,462,000	4,992,789	13,095,000	5,825,205
2020-2024	11,654,000	1,906,137	15,755,000	2,528,516
2025-2029	2,810,000	175,891	3,230,000	364,601
Total	\$ 39,505,000	\$ 14,764,740	\$ 42,550,000	\$ 17,200,920

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% \$ 5,266,000

Fiscal Year	Special Assessment Bond	
	Governmental	
	Principal	Interest
2010	\$ 501,000	\$ 202,688
2011	520,000	183,405
2012	540,000	163,390
2013	561,000	142,605
2014	582,000	121,013
2015-2019	2,562,000	251,147
Total	\$ 5,266,000	\$ 1,064,248

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**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% \$674,629

Note Payable:

\$420,000 Note Payable on a building purchase with annual principal and interest payments through August 2014 – interest rate of 5% 235,318

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 128,816

Fiscal Year	Notes Payable Governmental	
	Principal	Interest
2010	\$ 353,011	\$ 41,689
2011	235,054	30,831
2012	246,437	19,446
2013	152,609	7,510
2014	51,652	2,590
Total	\$ 1,038,763	\$ 102,066

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

The future annual requirements for all outstanding bond and note obligations as of June 30, 2009 are as follows:

<u>Fiscal Year</u>	<u>All Bonds and Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 5,104,011	\$ 3,865,151	\$ 8,969,162
2011	5,194,054	3,629,179	8,823,233
2012	5,085,437	3,418,269	8,503,706
2013	5,147,609	3,197,877	8,345,486
2014	5,260,652	2,977,212	8,237,864
2015-2019	29,119,000	11,069,141	40,188,141
2020-2024	27,409,000	4,434,653	31,843,653
2025-2029	6,040,000	540,492	6,580,492
Total	<u>\$ 88,359,763</u>	<u>\$ 33,131,974</u>	<u>\$ 121,491,737</u>

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 \$16,578,000 of the two bonds original debt is still outstanding.

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 9 – LONG-TERM DEBT (CONTINUED)**

**Changes in Long Term Debt**

	July 1 2008	Additions	Reductions	June 30 2009	Due in One Yr
<b>Governmental Activities:</b>					
Bonds Payable:					
Excise tax road bonds	\$ 1,005,000	\$ -	\$ 320,000	\$ 685,000	\$ 335,000
Sales tax revenue bond	3,330,000	-	415,000	2,915,000	435,000
Sales tax revenue refunding bond	9,865,000	-	50,000	9,815,000	50,000
2002 Lease revenue bond	8,035,000	-	360,000	7,675,000	370,000
Special Assessment refunding bond	5,770,000	-	504,000	5,266,000	501,000
RDA Bond		11,242,000	942,000	10,300,000	775,000
2009 Sales Tax Bond		8,115,000	-	8,115,000	385,000
Unamortized Bond Premium	91,409	216,708	19,257	288,860	
Less Deferred amount on refunding	(419,553)	-	(22,989)	(396,564)	
Total bonds payable	<u>27,676,856</u>	<u>19,573,708</u>	<u>2,587,268</u>	<u>44,663,296</u>	
Note Payable - Zions	847,880	-	173,251	674,629	181,578
Notes payable	83,735	-	83,735	-	-
Notes payable	275,906	-	40,588	235,318	42,617
Capital leases	1,514,186	-	420,549	1,093,617	504,793
Compensated absences	855,933	128,985	-	984,918	984,918
Claims and judgments	182,467	-	53,651	128,815	128,816
Gov't Activities long-term Debt	<u>\$ 31,436,963</u>	<u>\$19,702,693</u>	<u>\$ 3,359,042</u>	<u>\$ 47,780,614</u>	<u>\$ 4,693,722</u>
<b>Business Type Activities:</b>					
Bonds Payable:					
2003 Water revenue bond	\$ 5,545,000	\$ -	\$ 835,000	\$ 4,710,000	\$ 875,000
Water revenue bond	455,000	-	145,000	310,000	150,000
2007 Water revenue Refunding Bond	21,775,000	-	210,000	21,565,000	205,000
Refunding Municipal Building Bond	6,130,000	-	190,000	5,940,000	195,000
2009 Water Revenue Bond	-	10,025,000	-	10,025,000	475,000
Unamortized Bond Premium	989,737	282,956	78,819	1,193,874	
Less Deferred amount on refunding	(934,365)	-	(59,696)	(874,669)	
Total bonds payable	<u>33,960,372</u>	<u>10,307,956</u>	<u>-</u>	<u>42,869,205</u>	
Capital leases	241,480	-	118,454	123,026	118,454
Compensated absences	40,136	9,033	-	49,169	49,169
Business-type Activities long-term Debt	<u>\$ 34,241,988</u>	<u>\$10,316,989</u>	<u>\$ 118,454</u>	<u>\$ 43,041,400</u>	<u>\$ 2,067,623</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**  
**JUNE 30, 2009**

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**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 12.14% 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, 2009, 2008, and 2007 were \$1,113,428, \$1,043,158, and \$909,306, respectively. The contributions were equal to the required contributions for each year.

For the Public Safety Noncontributory Retirement System, the contributions for June 30, 2009, 2008, and 2007, were \$539,716, \$506,763, and \$431,483, respectively, for the Fire Fighters Retirement System the contributions for June 30, 2009, 2008, and 2007, were \$273,382, \$247,640, and \$205,041, respectively, and for the Judges Retirement System, the contributions for June 30, 2009, 2008, and 2007, were \$118,934, \$106,420, and \$97,684. The contributions were equal to the required contributions for each year.

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**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.

**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, 2009 the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$6,240,766
Tax increment paid to other taxing agencies	13,696,931
Outstanding loans to finance RDA projects	11,477,318
Amounts expended for installation of public utilities and other public improvements	525,317
Amounts expended for administrative costs	420,755

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**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, 2009, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees &amp; Charges For Ten Preceding Years</u>	<u>Percent</u>
Midvale City, Utah	\$ 1,159,626	5.75%
Murray City, Utah	1,772,628	8.79%
Sandy City, Utah	6,395,020	31.73%
South Jordan City, Utah	2,274,061	11.28%
West Jordan City, Utah	5,054,112	25.08%
Draper City, Utah	1,696,605	8.42%
Riverton City, Utah	1,802,970	8.95%
Total	<u>\$ 20,155,022</u>	<u>100.00%</u>

**B. Management**

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

**CITY OF SOUTH JORDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**C. Financial Summary**

	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	\$ 22,553,112	\$ 2,543,991
Total Liabilities	\$ 4,441,317	\$ 500,981
Total Equity	\$ 18,111,795	\$ 2,043,010
Total Operating Revenues	\$ 5,180,214	\$ 584,328
Total Operating Expenses	6,692,903	754,959
Net Operating Income	(1,512,689)	(170,631)
Total Non-operating Income (Expense)	967,508	109,135
Net Income	\$ (545,181)	\$ (61,496)

**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	\$4,067,192	\$458,779

**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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
<b>Taxes</b>				
Property Tax - Current	\$ 6,208,401	\$ 6,185,419	\$ 5,961,819	\$ (223,600)
Property Tax - Delinquent	125,000	125,000	294,895	169,895
Motor Vehicle Tax	500,000	594,303	582,634	(11,669)
Sales & Use Tax	8,304,517	7,693,050	7,363,412	(329,638)
Telecommunication Fee	862,223	900,061	918,708	18,647
Penalties & Interest	50,000	12,813	12,952	139
Energy Sales & Use Tax	2,376,098	2,411,515	2,363,720	(47,795)
Total Taxes	<u>18,426,239</u>	<u>17,922,161</u>	<u>17,498,140</u>	<u>(424,021)</u>
<b>Licenses &amp; Permits</b>				
Building Permits	2,090,606	2,035,379	1,530,895	(504,484)
Business Licenses	114,490	114,490	154,355	39,865
Solid Waste License Fee	42,000	50,815	53,471	2,656
Innkeeper Fee	25,200	25,200	36,557	11,357
Miscellaneous	36,250	44,059	54,326	10,267
Total Licenses & Permits	<u>2,308,546</u>	<u>2,269,943</u>	<u>1,829,604</u>	<u>(440,339)</u>
<b>Intergovernmental Revenues</b>				
Federal Grants	277,859	224,382	301,630	77,248
State Grants	-	118,913	154,515	35,602
Class "C" Road Allotment	1,586,547	1,679,069	1,584,316	(94,753)
Liquor Fund Allotment	-	-	38,509	38,509
Total Intergovernmental	<u>1,864,406</u>	<u>2,022,364</u>	<u>2,078,970</u>	<u>56,606</u>
<b>Charges for Services</b>				
Ambulance Fees	527,152	527,152	527,362	210
Engineering Fees	263,000	204,302	158,757	(45,545)
Plan Check Fees	1,050,000	874,617	643,379	(231,238)
Zoning & Subdivision Fees	136,300	49,937	56,245	6,308
General Public Sanitation	173,310	173,310	196,941	23,631
Other Services	2,555,444	2,620,818	2,765,760	144,942
Total Charges for Services	<u>4,705,206</u>	<u>4,450,136</u>	<u>4,348,444</u>	<u>(101,692)</u>
<b>Fines and Forfeitures</b>				
	<u>1,200,000</u>	<u>992,189</u>	<u>1,001,232</u>	<u>9,043</u>
<b>Misc Revenue</b>				
Investment Earnings	379,906	244,408	261,353	16,945
Sundry Revenue	46,725	104,412	110,027	5,615
Total Misc Revenue	<u>426,631</u>	<u>348,820</u>	<u>371,380</u>	<u>22,560</u>
<b>Total Revenue</b>	<u>28,931,028</u>	<u>28,005,613</u>	<u>27,127,770</u>	<u>(877,843)</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>EXPENDITURES</b>				
<b>General Government</b>				
General Administration	\$ 2,689,587	\$ 2,205,604	\$ 1,866,433	\$ 339,171
Finance	779,036	877,477	858,794	18,683
Facilities	1,397,952	1,652,454	1,631,117	21,337
Legal	706,103	626,778	593,125	33,653
Business Services	2,077,295	2,010,815	1,933,663	77,152
Government Services	1,375,195	1,357,309	1,258,217	99,092
<b>Total General Government</b>	<b>9,025,168</b>	<b>8,730,437</b>	<b>8,141,349</b>	<b>589,088</b>
<b>Community Development</b>				
Administration	231,346	223,926	218,321	5,605
Planning	345,651	336,709	329,834	6,875
Building	598,193	600,717	590,008	10,709
Engineering	1,636,210	1,523,748	1,484,524	39,224
<b>Total Community Development</b>	<b>2,811,400</b>	<b>2,685,100</b>	<b>2,622,687</b>	<b>62,413</b>
<b>Public Works</b>				
Administration	587,152	622,993	574,860	48,133
Streets and Roads	1,762,507	1,518,872	1,379,776	139,096
<b>Total Public Works</b>	<b>2,349,659</b>	<b>2,141,865</b>	<b>1,954,636</b>	<b>187,229</b>
<b>Public Safety</b>				
Police	5,333,199	5,328,347	5,234,157	94,190
Fire	4,251,702	4,073,407	4,014,314	59,093
<b>Total Public Safety</b>	<b>9,584,901</b>	<b>9,401,754</b>	<b>9,248,471</b>	<b>153,283</b>
<b>Parks and Recreation</b>				
Parks	1,566,389	1,503,728	1,428,461	75,267
Recreation	701,594	481,120	452,296	28,824
<b>Total Parks and Recreation</b>	<b>2,267,983</b>	<b>1,984,848</b>	<b>1,880,757</b>	<b>104,091</b>
<b>Total Expenditures</b>	<b>26,039,111</b>	<b>24,944,004</b>	<b>23,847,900</b>	<b>1,096,104</b>
<b>Excess (Deficiency) of revenues</b>				
Over Expenditures	2,891,917	3,061,609	3,279,870	218,261
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	63,556	646,491	646,491	-
Transfers Out	(2,955,473)	(3,705,374)	(4,059,667)	(354,293)
Sale of Capital Assets	-	-	150,000	150,000
<b>Total Other Financing Sources (Uses)</b>	<b>(2,891,917)</b>	<b>(3,058,883)</b>	<b>(3,263,176)</b>	<b>(204,293)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>2,726</b>	<b>16,694</b>	<b>13,968</b>
Fund Balance - July 1	5,207,584	5,207,584	5,207,584	-
<b>Fund Balance - June 30</b>	<b>\$ 5,207,584</b>	<b>\$ 5,210,310</b>	<b>\$ 5,224,278</b>	<b>\$ 13,968</b>

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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 3,952,591	\$ 5,045,150	\$ 6,240,766	\$ 1,195,616
Interest	-	64,725	43,773	(20,952)
Miscellaneous	-	594,491	2,500	(591,991)
Total Revenue	<u>3,952,591</u>	<u>5,704,366</u>	<u>6,287,039</u>	<u>582,673</u>
<b>EXPENDITURES</b>				
General Government	474,759	514,819	420,755	94,064
Capital Outlay & Projects	227,334	1,257,944	525,317	732,627
Tax Increment Distributions	2,465,093	13,289,573	13,696,931	(407,358)
Debt Service				
Principal Retirement	-	942,000	984,617	(42,617)
Interest and Fees	-	255,278	267,052	(11,774)
Issuance Cost	-	76,226	73,500	2,726
Total Expenditures	<u>3,167,186</u>	<u>16,335,840</u>	<u>15,968,172</u>	<u>367,668</u>
Excess (Deficiency) of revenues Over Expenditures	<u>785,405</u>	<u>(10,631,474)</u>	<u>(9,681,133)</u>	<u>950,341</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond Proceeds	-	11,242,000	11,242,000	-
Sale of Assets	-	-	100,000	100,000
Operating Transfers In	-	-	-	-
Transfers Out	(721,583)	(798,068)	(798,087)	(19)
Total Other Financing Sources (Uses)	<u>(721,583)</u>	<u>10,443,932</u>	<u>10,543,913</u>	<u>99,981</u>
Net Change in Fund Balance	63,822	(187,542)	862,780	1,050,322
Fund Balance - July 1	1,166,205	1,166,205	1,166,205	-
Fund Balance - June 30	<u>\$ 1,230,027</u>	<u>\$ 978,663</u>	<u>\$ 2,028,985</u>	<u>\$ 1,050,322</u>

*See accompanying notes.*

**CITY OF SOUTH JORDAN**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2009

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.

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SOUTH JORDAN



# Supplementary Information



SOUTH JORDAN

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

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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:

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- 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) **Fitness 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

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## Debt Service Fund

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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.

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

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

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## Permanent Fund

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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.

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- 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, 2009

	Special Revenue					
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ -	\$ 100,147	\$ -	\$ 346,503	\$ 443,624	\$ 133,102
Restricted for Debt Services	-	-	-	-	-	-
Receivables						
Accounts Receivable	-	-	-	1,475	118,920	1,551
Other Receivables	-	-	-	-	-	-
Total Assets	<u>\$ -</u>	<u>\$ 100,147</u>	<u>\$ -</u>	<u>\$ 347,978</u>	<u>\$ 562,544</u>	<u>\$ 134,653</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable and Accrued Liabilities	-	3,316	-	15,946	34,521	10,306
Deferred Revenue	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>3,316</u>	<u>-</u>	<u>15,946</u>	<u>34,521</u>	<u>10,306</u>
<b>FUND BALANCES</b>						
Reserved for Perpetual Care	-	-	-	-	-	-
Reserved for Debt Services	-	-	-	-	-	-
Unreserved Fund Balance	-	96,831	-	332,032	528,023	124,347
Total Fund Balances	<u>-</u>	<u>96,831</u>	<u>-</u>	<u>332,032</u>	<u>528,023</u>	<u>124,347</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 100,147</u>	<u>\$ -</u>	<u>\$ 347,978</u>	<u>\$ 562,544</u>	<u>\$ 134,653</u>

CDBG	Special Revenue			Debt Service	Permanent	Total
	Risk Management	Public Arts	Fitness Center	MBA	Cemetery	
\$ 20	\$ 244,790	\$ 66,925	\$ 233,863	\$ 209,643	\$ 522,673	\$ 2,301,290
-	-	-	-	726,863	-	726,863
-	-	21,000	2,649	-	-	145,595
-	-	-	-	-	-	-
<u>\$ 20</u>	<u>\$ 244,790</u>	<u>\$ 87,925</u>	<u>\$ 236,512</u>	<u>\$ 936,506</u>	<u>\$ 522,673</u>	<u>\$ 3,173,748</u>
20	674	21,043	49,083	-	-	\$ 134,909
-	-	-	19,112	-	-	19,112
<u>20</u>	<u>674</u>	<u>21,043</u>	<u>68,195</u>	<u>-</u>	<u>-</u>	<u>154,021</u>
-	-	-	-	-	336,903	336,903
-	-	-	-	726,863	-	726,863
-	244,116	66,882	168,317	209,643	185,770	1,955,961
-	244,116	66,882	168,317	936,506	522,673	3,019,727
<u>\$ 20</u>	<u>\$ 244,790</u>	<u>\$ 87,925</u>	<u>\$ 236,512</u>	<u>\$ 936,506</u>	<u>\$ 522,673</u>	<u>\$ 3,173,748</u>

**CITY OF SOUTH JORDAN**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the year ended June 30, 2009

	Special Revenue					
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 5,989	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	2,122	-	2	864,497	254,622
Interest	-	737	26,922	-	-	-
Other Revenue	-	638	-	-	8,003	-
Total Revenues	-	9,486	26,922	2	872,500	254,622
<b>EXPENDITURES</b>						
Current						
General Government	-	111,882	-	-	-	182,228
Public Works	-	-	-	601,801	683,754	-
Community Development	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fees	-	-	-	-	-	-
Capital Outlay & Projects	-	-	-	6,694	29,960	15,460
Total Expenditures	-	111,882	-	608,495	713,714	197,688
Excess (Deficiency) of Revenues over Expenditures	-	(102,396)	26,922	(608,493)	158,786	56,934
Othr Financing Sources (Uses)						
Transfers In	-	122,818	55,556	791,231	-	-
Transfers Out	(665)	(13,469)	(1,431,963)	(55,738)	(2,341)	-
Total Other Financing Sources (Uses)	(665)	109,349	(1,376,407)	735,493	(2,341)	-
Net Change in Fund Balance	(665)	6,953	(1,349,485)	127,000	156,445	56,934
Fund Balances - July 1	665	89,878	1,349,485	205,032	371,578	67,413
Fund Balances - June 30	\$ -	\$ 96,831	\$ -	\$ 332,032	\$ 528,023	\$ 124,347

CDBG	Special Revenue			Debt Service	Permanent	Total
	Risk Management	Public Arts	Fitness Center	MBA	Cemetery	
\$ 51,053	\$ -	\$ 3,947	\$ -	\$ -	\$ -	\$ 60,989
-	81,700	-	950,534	-	32,011	2,185,488
-	-	-	3,206	16,643	10,273	57,781
-	-	53,036	-	-	-	61,677
<u>51,053</u>	<u>81,700</u>	<u>56,983</u>	<u>953,740</u>	<u>16,643</u>	<u>42,284</u>	<u>2,365,935</u>
51,053	467,171	369,314	1,124,845	-	-	2,306,493
-	-	-	-	-	-	1,285,555
-	-	-	-	-	-	-
-	-	-	-	360,000	-	360,000
-	-	-	-	363,333	-	363,333
-	-	-	55,992	-	-	108,106
<u>51,053</u>	<u>467,171</u>	<u>369,314</u>	<u>1,180,837</u>	<u>723,333</u>	<u>-</u>	<u>4,423,487</u>
-	(385,471)	(312,331)	(227,097)	(706,690)	42,284	(2,057,552)
-	483,114	138,681	200,000	721,583	-	2,512,983
-	-	-	(949)	-	(8,000)	(1,513,125)
-	<u>483,114</u>	<u>138,681</u>	<u>199,051</u>	<u>721,583</u>	<u>(8,000)</u>	<u>999,858</u>
-	97,643	(173,650)	(28,046)	14,893	34,284	(1,057,694)
-	146,473	240,532	196,363	921,613	488,389	4,077,421
<u>\$ -</u>	<u>\$ 244,116</u>	<u>\$ 66,882</u>	<u>\$ 168,317</u>	<u>\$ 936,506</u>	<u>\$ 522,673</u>	<u>\$ 3,019,727</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Special Assessments	\$ 828,844	\$ 828,844	\$ 711,536	\$ (117,308)
Interest	-	8,000	30,701	22,701
Miscellaneous	149,239	149,239	149,489	250
Total Revenue	<u>978,083</u>	<u>986,083</u>	<u>891,726</u>	<u>(94,357)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	1,798,801	1,882,801	1,882,821	(20)
Other	21,350	21,350	21,350	-
Interest and Fees	1,069,689	1,070,174	966,539	103,635
Total Expenditures	<u>2,889,840</u>	<u>2,974,325</u>	<u>2,870,710</u>	<u>103,615</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(1,911,757)</u>	<u>(1,988,242)</u>	<u>(1,978,984)</u>	<u>9,258</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,911,757	1,988,242	1,988,242	-
Total Other Financing Sources (Uses)	<u>1,911,757</u>	<u>1,988,242</u>	<u>1,988,242</u>	<u>-</u>
Net Change in Fund Balance	-	-	9,258	9,258
Fund Balance - July 1	1,007,382	1,007,382	1,007,382	-
Fund Balance - June 30	<u>\$ 1,007,382</u>	<u>\$ 1,007,382</u>	<u>\$ 1,016,640</u>	<u>\$ 9,258</u>

## CITY OF SOUTH JORDAN

### Construction

#### Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 100,000	\$ 100,000
Interest	-	50,000	112,075	62,075
Impact Fees	-	149,990	1,572,054	1,422,064
Miscellaneous	-	1,049,749	700,928	(348,821)
Total Revenue	<u>-</u>	<u>1,249,739</u>	<u>2,485,057</u>	<u>1,235,318</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Road and Bridge	-	9,182,911	3,437,583	5,745,328
Parks	-	1,495,850	1,398,358	97,492
Storm Drain	-	265,947	126,323	139,624
Facilities	-	5,045,690	4,573,441	472,249
Bond Issuance Cost	-	-	185,909	(185,909)
Other Projects	1,035,671	1,887,520	1,276,708	610,812
Total Expenditures	<u>1,035,671</u>	<u>17,877,918</u>	<u>10,998,322</u>	<u>6,879,596</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(1,035,671)</u>	<u>(16,628,179)</u>	<u>(8,513,265)</u>	<u>8,114,914</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long Term Debt	-	8,115,000	8,115,000	-
Bond Premium	-	-	216,708	216,708
Sale of Capital Assets	-	69,323	56,961	(12,362)
Transfers In	826,354	2,507,260	2,888,475	381,215
Transfers Out	(1,488,942)	(1,588,942)	(1,588,942)	-
Total Other Financing Sources (Uses)	<u>(662,588)</u>	<u>9,102,641</u>	<u>9,688,202</u>	<u>585,561</u>
Net Change in Fund Balance	(1,698,259)	(7,525,538)	1,174,937	8,700,475
Fund Balance - July 1	9,665,469	9,665,469	9,665,469	-
Fund Balance - June 30	<u>\$ 7,967,210</u>	<u>\$ 2,139,931</u>	<u>\$ 10,840,406</u>	<u>\$ 8,700,475</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	-	\$ -
Total Revenue	-	-	-	-
<b>EXPENDITURES</b>				
General Government	-	-	-	-
Capital Outlay & Projects	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	(665)	(665)	-
Total Other Financing Sources (Uses)	-	(665)	(665)	-
Net Change in Fund Balance	-	-	(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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,100	\$ 5,989	\$ 4,889
Charges for Services	-	1,200	2,122	922
Interest	-	-	737	737
Other Revenue	-	-	638	638
Total Revenue	<u>-</u>	<u>2,300</u>	<u>9,486</u>	<u>7,186</u>
<b>EXPENDITURES</b>				
General Government	122,799	114,904	111,882	3,022
Capital Outlay & Projects	-	5,000	-	5,000
Total Expenditures	<u>122,799</u>	<u>119,904</u>	<u>111,882</u>	<u>8,022</u>
Excess (Deficiency) of revenues				
Over Expenditures	<u>(122,799)</u>	<u>(117,604)</u>	<u>(102,396)</u>	<u>15,208</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	122,818	122,818	122,818	-
Transfers Out	(19)	(13,469)	(13,469)	-
Total Other Financing Sources (Uses)	<u>122,799</u>	<u>109,349</u>	<u>109,349</u>	<u>-</u>
Net Change in Fund Balance	-	(8,255)	6,953	15,208
Fund Balance - July 1	89,878	89,878	89,878	-
Fund Balance - June 30	<u>\$ 89,878</u>	<u>\$ 81,623</u>	<u>\$ 96,831</u>	<u>\$ 15,208</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ 40,000	\$ 40,000	\$ 26,922	\$ (13,078)
Total Revenue	<u>40,000</u>	<u>40,000</u>	<u>26,922</u>	<u>(13,078)</u>
<b>EXPENDITURES</b>	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>40,000</u>	<u>40,000</u>	<u>26,922</u>	<u>(13,078)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	55,556	55,556	55,556	-
Transfers Out	<u>(55,556)</u>	<u>(1,405,041)</u>	<u>(1,431,963)</u>	<u>(26,922)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,349,485)</u>	<u>(1,376,407)</u>	<u>(26,922)</u>
Net Change in Fund Balance	40,000	(1,309,485)	(1,349,485)	(40,000)
Fund Balance - July 1	<u>1,349,485</u>	<u>1,349,485</u>	<u>1,349,485</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,389,485</u>	<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ (40,000)</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ -	\$ -	\$ 2	\$ 2
Total Revenue	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>				
Public Works	735,493	735,493	601,801	133,692
Capital Outlay & Projects	-	6,695	6,694	1
Total Expenditures	<u>735,493</u>	<u>742,188</u>	<u>608,495</u>	<u>133,693</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(735,493)</u>	<u>(742,188)</u>	<u>(608,493)</u>	<u>133,695</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	791,231	791,231	791,231	-
Transfers Out	<u>(55,738)</u>	<u>(55,738)</u>	<u>(55,738)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>735,493</u>	<u>735,493</u>	<u>735,493</u>	<u>-</u>
Net Change in Fund Balance	-	(6,695)	127,000	133,695
Fund Balance - July 1	<u>205,032</u>	<u>205,032</u>	<u>205,032</u>	<u>-</u>
Fund Balance - June 30	<u><u>\$ 205,032</u></u>	<u><u>\$ 198,337</u></u>	<u><u>\$ 332,032</u></u>	<u><u>\$ 133,695</u></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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 819,636	\$ 819,636	\$ 864,497	\$ 44,861
Miscellaneous	-	-	8,003	8,003
Total Revenue	<u>819,636</u>	<u>819,636</u>	<u>872,500</u>	<u>52,864</u>
<b>EXPENDITURES</b>				
Public Works	744,165	744,165	683,754	60,411
Capital Outlay	61,485	61,485	29,960	31,525
Total Expenditures	<u>805,650</u>	<u>805,650</u>	<u>713,714</u>	<u>91,936</u>
Excess (Deficiency) of revenues Over Expenditures	<u>13,986</u>	<u>13,986</u>	<u>158,786</u>	<u>144,800</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(2,341)</u>	<u>(2,341)</u>	<u>(2,341)</u>	-
Total Other Financing Sources (Uses)	<u>(2,341)</u>	<u>(2,341)</u>	<u>(2,341)</u>	-
Net Change in Fund Balance	11,645	11,645	156,445	144,800
Fund Balance - July 1	371,578	371,578	371,578	-
Fund Balance - June 30	<u>\$ 383,223</u>	<u>\$ 383,223</u>	<u>\$ 528,023</u>	<u>\$ 144,800</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 522,381	\$ 242,104	\$ 254,622	\$ 12,518
Total Revenue	<u>522,381</u>	<u>242,104</u>	<u>254,622</u>	<u>12,518</u>
<b>EXPENDITURES</b>				
General Government	456,614	176,207	182,228	(6,021)
Capital Outlay	-	12,000	15,460	(3,460)
Total Expenditures	<u>456,614</u>	<u>188,207</u>	<u>197,688</u>	<u>(9,481)</u>
Excess (Deficiency) of revenues Over Expenditures	<u>65,767</u>	<u>53,897</u>	<u>56,934</u>	<u>3,037</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	65,767	53,897	56,934	3,037
Fund Balance - July 1	67,413	67,413	67,413	-
Fund Balance - June 30	<u>\$ 133,180</u>	<u>\$ 121,310</u>	<u>\$ 124,347</u>	<u>\$ 3,037</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 57,820	\$ 70,226	\$ 51,053	\$ (19,173)
Total Revenue	<u>57,820</u>	<u>70,226</u>	<u>51,053</u>	<u>(19,173)</u>
<b>EXPENDITURES</b>				
General Government	57,820	70,226	51,053	19,173
Total Expenditures	<u>57,820</u>	<u>70,226</u>	<u>51,053</u>	<u>19,173</u>
Excess (Deficiency) of revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u>\$ -</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ -	\$ 27,266	\$ 81,700	\$ 54,434
Interest	-	-	-	-
Total Revenue	<u>-</u>	<u>27,266</u>	<u>81,700</u>	<u>54,434</u>
<b>EXPENDITURES</b>				
General Government	486,497	516,763	467,171	49,592
Capital Outlay	-	-	-	-
Total Expenditures	<u>486,497</u>	<u>516,763</u>	<u>467,171</u>	<u>49,592</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(486,497)</u>	<u>(489,497)</u>	<u>(385,471)</u>	<u>104,026</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	480,114	483,114	483,114	-
Total Other Financing Sources (Uses)	<u>480,114</u>	<u>483,114</u>	<u>483,114</u>	<u>-</u>
Net Change in Fund Balance	(6,383)	(6,383)	97,643	104,026
Fund Balance - July 1	146,473	146,473	146,473	
Fund Balance - June 30	<u>\$ 140,090</u>	<u>\$ 140,090</u>	<u>\$ 244,116</u>	<u>\$ 104,026</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Inter-governmental	\$ -	\$ -	\$ 3,947	\$ 3,947
Miscellaneous	11,689	21,509	53,036	31,527
Total Revenue	<u>-</u>	<u>21,509</u>	<u>56,983</u>	<u>35,474</u>
<b>EXPENDITURES</b>				
General Government	321,242	385,205	369,314	15,891
Total Expenditures	<u>321,242</u>	<u>385,205</u>	<u>369,314</u>	<u>15,891</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(321,242)</u>	<u>(363,696)</u>	<u>(312,331)</u>	<u>51,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	127,301	138,681	138,681	-
Total Other Financing Sources (Uses)	<u>127,301</u>	<u>138,681</u>	<u>138,681</u>	<u>-</u>
Net Change in Fund Balance	(193,941)	(225,015)	(173,650)	51,365
Fund Balance - July 1	240,532	240,532	240,532	-
Fund Balance - June 30	<u>\$ 46,591</u>	<u>\$ 15,517</u>	<u>\$ 66,882</u>	<u>\$ 51,365</u>

**CITY OF SOUTH JORDAN**

Fitness Center

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

For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 773,536	\$ 827,800	\$ 950,534	\$ 122,734
Interest	-	2,500	3,206	706
Total Revenue	<u>773,536</u>	<u>830,300</u>	<u>953,740</u>	<u>123,440</u>
<b>EXPENDITURES</b>				
General Government	936,587	1,159,287	1,124,845	34,442
Capital Outlay	36,000	59,570	55,992	3,578
Total Expenditures	<u>972,587</u>	<u>1,218,857</u>	<u>1,180,837</u>	<u>38,020</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(199,051)</u>	<u>(388,557)</u>	<u>(227,097)</u>	<u>161,460</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	200,000	200,000	200,000	-
Transfers Out	(949)	(949)	(949)	-
Total Other Financing Sources (Uses)	<u>199,051</u>	<u>199,051</u>	<u>199,051</u>	<u>-</u>
Net Change in Fund Balance	-	(189,506)	(28,046)	161,460
Fund Balance - July 1	196,363	196,363	196,363	-
Fund Balance - June 30	<u>\$ 196,363</u>	<u>\$ 6,857</u>	<u>\$ 168,317</u>	<u>\$ 161,460</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Interest	\$ -	\$ 1,750	\$ 16,643	\$ 14,893
Total Revenue	<u>-</u>	<u>1,750</u>	<u>16,643</u>	<u>14,893</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	360,000	360,000	360,000	-
Interest and Fees	361,583	363,333	363,333	-
Total Expenditures	<u>721,583</u>	<u>723,333</u>	<u>723,333</u>	<u>-</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(721,583)</u>	<u>(721,583)</u>	<u>(706,690)</u>	<u>14,893</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	721,583	721,583	721,583	-
Total Other Financing Sources (Uses)	<u>721,583</u>	<u>721,583</u>	<u>721,583</u>	<u>-</u>
Net Change in Fund Balance	-	-	14,893	14,893
Fund Balance - July 1	921,613	921,613	921,613	-
Fund Balance - June 30	<u>\$ 921,613</u>	<u>\$ 921,613</u>	<u>\$ 936,506</u>	<u>\$ 14,893</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, 2009

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
<b>REVENUES</b>				
Charges for Services	\$ 8,000	\$ 8,000	\$ 32,011	\$ 24,011
Interest	-	-	10,273	10,273
Total Revenue	<u>8,000</u>	<u>8,000</u>	<u>42,284</u>	<u>34,284</u>
<b>EXPENDITURES</b>				
	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>8,000</u>	<u>8,000</u>	<u>42,284</u>	<u>34,284</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net Change in Fund Balance	-	-	34,284	34,284
Fund Balance - July 1	<u>488,389</u>	<u>488,389</u>	<u>488,389</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 488,389</u>	<u>\$ 488,389</u>	<u>\$ 522,673</u>	<u>\$ 34,284</u>



# 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, 2009

	<u>2008</u>	<u>2009</u>
General Capital Assets		
Land	\$ 46,223,032	\$ 55,362,194
Buildings and Structures	19,261,969	20,061,969
Improvements Other than Buildings and Structures	16,077,195	22,303,201
Machinery and Equipment	11,722,644	12,260,341
Infrastructure	142,070,527	150,086,865
Construction in Progress	<u>7,951,302</u>	<u>10,567,065</u>
 Total governmental funds capital assets	 <u>\$ 243,306,669</u>	 <u>\$ 270,641,635</u>
 Investment in Capital Assets		
General Fund	234,489,337	259,208,541
Glenmoor Special Service Fund	445,637	445,637
Capital Projects Fund	7,951,444	10,567,207
Street Lighting Fund	19,250	19,250
Parkway Care Fund	-	-
Redevelopment Agency Fund	<u>401,000</u>	<u>401,000</u>
 Total Investment in Capital Assets	 <u>\$ 243,306,669</u>	 <u>\$ 270,641,635</u>

# CITY OF SOUTH JORDAN

## Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity June 30, 2009

<u>Function and Activity</u>	Land	Building and Structure	Improvements other Than Building and Structure	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>General Government</b>							
Administration	\$ 4,494,960	\$ 5,846,075	\$ 1,222,437	\$ 2,516,223	\$ 103,706	\$ 8,092,538	\$ 22,275,939
Parkway	-	-	-	-	-	-	-
Building and Planning	-	-	-	256,618	-	-	256,618
Engineering	-	-	-	77,083	-	-	77,083
Fleet Management	-	-	-	505,063	-	-	505,063
<b>Total General Government</b>	<u>4,494,960</u>	<u>5,846,075</u>	<u>1,222,437</u>	<u>3,354,987</u>	<u>103,706</u>	<u>8,092,538</u>	<u>23,114,703</u>
<b>Public Safety</b>							
Police Protection	703,250	852,443	3,365	1,687,128	-	452,710	3,698,896
Fire Protection	113,731	2,687,832	6,174	2,965,083	-	89,065	5,861,885
<b>Total Public Safety</b>	<u>816,981</u>	<u>3,540,275</u>	<u>9,539</u>	<u>4,652,211</u>	<u>-</u>	<u>541,775</u>	<u>9,560,781</u>
<b>Public Works</b>							
Streets and Roads	44,935,845	72,749	10,972,019	2,154,402	128,063,891	901,425	187,100,331
Storm Drain	-	-	829,864	753,583	18,992,509	-	20,575,956
<b>Total Public Works</b>	<u>44,935,845</u>	<u>72,749</u>	<u>11,801,883</u>	<u>2,907,985</u>	<u>147,056,400</u>	<u>901,425</u>	<u>207,676,287</u>
<b>Parks and Public Property</b>							
Parks	3,879,990	315,256	7,416,527	926,311	2,849,078	1,031,327	16,418,489
Cemetery	17,995	2,362	100,134	-	-	-	120,491
Recreation	-	10,285,251	20,790	384,097	70,949	-	10,761,087
<b>Total Parks &amp; Public Property</b>	<u>3,897,985</u>	<u>10,602,869</u>	<u>7,537,451</u>	<u>1,310,408</u>	<u>2,920,027</u>	<u>1,031,327</u>	<u>27,300,067</u>
Museum	-	-	1,287,266	-	-	-	1,287,266
Street Lighting Fund	-	-	-	19,250	-	-	19,250
Glenmoor Speical Service District	93,379	-	345,527	-	6,732	-	445,637
Redevelopment Agency	1,123,044	-	99,098	15,500	-	-	1,237,642
<b>Total General Capital Assets</b>	<u>\$ 55,362,194</u>	<u>\$ 20,061,969</u>	<u>\$ 22,303,201</u>	<u>\$ 12,260,341</u>	<u>\$ 150,086,865</u>	<u>\$ 10,567,065</u>	<u>\$ 270,641,635</u>

**CITY OF SOUTH JORDAN**

Capital Assets Used in the Operation of Governmental Funds  
 Schedule of Changes by Function and Activity  
 June 30, 2009

<u>Function and Activity</u>	General Capital Assets			
	July 1, 2008	Additions	Deletions	June 30, 2009
General Government				
Administration	\$ 18,702,728	\$ 3,573,211	\$ -	\$ 22,275,939
Parkway	-	-	-	-
Building and Planning	256,618	-	-	256,618
Engineering	77,083	-	-	77,083
Economic Development	-	-	-	-
Fleet Management	482,224	27,839	5,000	505,063
Total General Government	<u>19,518,653</u>	<u>3,601,050</u>	<u>5,000</u>	<u>23,114,703</u>
Public Safety				
Police Protection	2,639,226	1,247,449	187,779	3,698,896
Fire Protection	5,679,246	267,639	85,000	5,861,885
Total Public Safety	<u>8,318,472</u>	<u>1,515,088</u>	<u>272,779</u>	<u>9,560,781</u>
Public Works				
Streets and Roads	168,175,886	20,891,588	1,967,142	187,100,332
Storm Drain	19,264,723	1,311,233	-	20,575,956
Total Public Works	<u>187,440,609</u>	<u>22,202,821</u>	<u>1,967,142</u>	<u>207,676,288</u>
Parks and Public Property				
Parks	15,062,757	1,719,788	364,056	16,418,489
Cemetery	120,491	-	-	120,491
Recreation	10,716,987	65,789	21,689	10,761,087
Total Parks & Public Property	<u>25,900,235</u>	<u>1,785,577</u>	<u>385,745</u>	<u>27,300,067</u>
Museum	<u>1,262,813</u>	<u>24,453</u>	<u>-</u>	<u>1,287,266</u>
Street Lighting	<u>19,250</u>	<u>-</u>	<u>-</u>	<u>19,250</u>
Glenmoor Special Service District	<u>445,637</u>	<u>-</u>	<u>-</u>	<u>445,637</u>
Redevelopment Agency	<u>401,000</u>	<u>836,642</u>	<u>-</u>	<u>1,237,642</u>
Total General Capital Assets	<u>\$ 243,306,669</u>	<u>\$ 29,965,631</u>	<u>\$ 2,630,666</u>	<u>\$ 270,641,635</u>

# 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>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	106
<b>Revenue Capacity</b> 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
<b>Debt Capacity</b> 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
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	125
<b>Operating Information</b> 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 Six Fiscal Years  
(accrual basis of accounting)

	Fiscal Year					
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</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	\$ 173,288,801
Restricted	7,371,459	5,526,916	5,171,176	5,546,107	6,817,249	5,287,778
Unrestricted	<u>19,984,755</u>	<u>19,746,624</u>	<u>23,783,914</u>	<u>32,840,701</u>	<u>19,494,046</u>	<u>16,724,471</u>
Total governmental 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>	<u>195,301,050</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	65,826,404
Restricted	1,843,649	4,189,093	5,019,969	4,508,398	4,188,003	5,357,126
Unrestricted	<u>4,806,759</u>	<u>3,526,093</u>	<u>7,059,861</u>	<u>8,844,455</u>	<u>11,166,135</u>	<u>18,804,780</u>
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>	<u>89,988,310</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	239,115,205
Restricted	9,215,108	9,716,009	10,191,145	10,054,505	11,005,252	10,644,904
Unrestricted	<u>24,791,514</u>	<u>23,272,717</u>	<u>30,843,775</u>	<u>41,685,156</u>	<u>30,660,181</u>	<u>35,529,251</u>
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>	<u>\$ 285,289,360</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 Six Fiscal Years  
(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental activities:						
General government	\$ 6,935,629	\$ 5,862,625	\$ 4,122,258	\$ 7,719,415	\$ 12,496,178	\$ 25,539,947
Community Development	6,026,263	6,829,037	8,829,267	3,071,596	4,307,929	2,666,063
Public Works	4,943,240	6,460,953	7,736,325	14,432,464	8,152,171	8,784,355
Public Safety	-	-	-	-	9,085,813	9,977,739
Parks & Recreation	-	-	-	-	2,797,002	2,482,574
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	1,877,795
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>	<u>51,328,473</u>
Business-type activities						
Water	6,586,729	7,530,798	8,304,493	9,635,759	11,634,967	12,039,188
Sanitation	1,306,726	1,226,513	1,462,979	1,676,313	1,929,607	1,941,646
Mulligans	-	1,151,761	1,548,939	1,285,024	1,273,851	1,228,199
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>	<u>15,209,033</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>	<u>66,537,506</u>
<b>Program Revenues</b>						
Governmental activities:						
Charges for services:						
General government	4,595,121	6,459,964	1,929,805	5,413,975	4,203,401	5,321,133
Community Development	-	-	-	-	4,940,046	2,626,351
Public Works	2,545,979	3,337,655	11,066,549	9,302,633	3,808,582	3,434,446
Public Safety	1,831,151	2,096,760	2,356,987	328,651	906,824	558,538
Parks & Recreation	-	-	-	-	2,287,865	247,646
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	2,239,958
Capital grants and contributions	6,483,571	8,865,370	23,874,290	27,178,129	20,049,268	16,470,876
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>	<u>30,898,948</u>
Business-type activities:						
Charges for services:						
Water	9,160,374	10,001,697	12,318,095	12,549,690	14,461,880	14,061,525
Sanitation	1,306,726	1,947,040	2,041,235	2,409,651	2,446,905	2,270,385
Mulligans	-	1,103,493	1,196,809	1,312,393	1,246,377	1,232,693
Capital grants and contributions	2,392,023	4,037,365	5,767,243	8,541,823	4,272,734	5,937,377
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>	<u>23,501,980</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>	<u>54,400,928</u>

**CITY OF SOUTH JORDAN**

Changes in Net Assets (continued)

Last Six Fiscal Years

(accrual basis of accounting)

	Fiscal Year					
	2004	2005	2006	2007	2008	2009
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ 92,696,364	\$ 310,586	\$ 15,387,366	\$ 12,629,326	\$ (129,132)	\$ (20,448,637)
Business-type activities	41,821,223	7,180,523	10,006,971	12,216,461	7,589,471	8,292,947
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>	<u>(12,155,690)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental activities:						
Taxes						
Property taxes	5,339,574	6,063,532	7,428,694	8,900,328	11,456,293	13,403,866
Sales taxes	3,255,045	3,658,972	4,926,279	6,481,322	7,174,379	7,363,412
Energy sales and use tax	1,434,575	1,431,090	1,853,968	1,824,497	2,260,516	2,363,720
Other taxes	187,952	565,185	753,042	877,001	843,014	918,708
Gain (loss) on disposition of capital assets	759,303	(867,929)	3,784,498	11,125	229,846	173,197
Investment earnings	50,875	250,460	419,040	1,174,925	995,130	505,683
Miscellaneous	69,617	65,208	203,310	450,196	-	-
Transfers	257,746	356,712	(3,569,554)	(1,011,620)	1,060,762	76,370
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>	<u>24,804,956</u>
Business-type activities:						
Gain (loss) on disposal of capital assets	-	6,440	-	(236,326)	-	-
Investment earnings	8,422	23,270	-	-	-	-
Transfers	(257,746)	(356,712)	3,569,554	1,011,620	(1,060,762)	(76,370)
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>	<u>(76,370)</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>	<u>24,728,586</u>
<b>Change in Net Assets</b>						
Governmental activities	10,225,408	11,833,816	31,186,643	31,337,100	23,890,808	4,356,319
Business-type activities	5,315,939	6,853,521	13,576,525	12,991,755	6,528,709	8,216,577
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>	<u>\$ 12,572,896</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>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>	<u>2009</u>
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 400,357	\$ 272,704	\$ 204,162	\$ 23,728	\$ 19,159	\$ 21,901	\$ 10,612
Unreserved	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	5,213,666
Total general fund	<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>	<u>\$ 5,224,278</u>
All Other Governmental Funds										
Reserved	\$ 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	\$ 4,443,076
Unreserved reported in:										
Special Revenue Funds	(296,616)	361,465	383,760	1,910,802	3,014,715	2,588,944	2,593,201	2,930,233	4,028,384	3,799,186
Capital Projects Funds	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	8,324,586
Debt Service Funds	192,727	-	-	43,447	160,103	203,930	110,553	132,912	143,882	153,140
Permanent Funds	11,978	19,033	17,533	130,302	140,010	157,895	156,096	157,603	174,760	185,770
Total all other governmental funds	<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>	<u>\$ 16,905,758</u>

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Taxes	\$ 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	\$ 23,738,906
Licenses, fees, and permits	828,377	876,840	965,870	1,348,514	1,790,661	2,948,658	3,763,459	3,716,134	2,974,174	1,829,604
Intergovernmental	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	2,239,959
Charges for services	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	6,533,932
Fines and penalties	547,130	774,254	889,392	1,006,452	987,405	1,189,595	1,260,350	1,089,849	1,009,544	1,001,232
Special assessments	215,198	86,000	-	-	794,799	926,733	710,771	799,031	785,888	711,536
Investment earnings	305,218	290,935	114,682	348,757	285,586	469,847	756,130	1,174,925	995,130	505,683
Impact fees	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	1,572,054
Miscellaneous	539,110	536,303	418,424	1,319,829	707,696	377,533	942,584	1,598,226	1,904,251	1,024,621
<b>Total Revenues</b>	<b>12,740,249</b>	<b>16,515,060</b>	<b>17,051,924</b>	<b>22,525,207</b>	<b>24,834,793</b>	<b>29,867,889</b>	<b>36,358,405</b>	<b>40,167,881</b>	<b>41,110,394</b>	<b>39,157,527</b>
<b>Expenditures</b>										
General government	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	10,868,597
Community Development	-	-	-	-	-	-	-	-	2,827,193	2,622,687
Public Works	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	3,240,191
Public Safety	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	9,248,471
Parks and Recreation	-	-	-	-	-	-	-	-	2,264,434	1,880,757
Finance & Admin. Services	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	13,696,931
Capital outlay	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	11,233,238
Debt service										
Principal	278,292	262,689	434,280	1,376,320	1,743,380	6,041,894	2,471,530	2,901,694	2,030,751	3,227,438
Interest	54,918	187,176	476,568	1,943,735	2,053,404	2,006,799	1,742,568	1,919,083	1,812,173	1,618,274
Other	-	26,108	466	-	-	-	-	-	-	259,409
<b>Total expenditures</b>	<b>12,705,786</b>	<b>21,817,096</b>	<b>28,226,869</b>	<b>39,180,265</b>	<b>27,950,357</b>	<b>36,084,488</b>	<b>35,011,323</b>	<b>36,751,436</b>	<b>46,938,381</b>	<b>57,895,993</b>
Excess of revenues over (under) expenditures	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)	(18,738,466)

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Other Financing Sources (Uses)</b>										
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	\$ 19,357,000
Bond Premium	-	-	-	-	-	-	-	-	-	216,708
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	306,961
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(9,699,784)	(6,100,000)	-
Transfers in	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	8,036,191
Transfers out	(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)	(7,959,821)
Total other financing sources (uses)	<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>	<u>19,957,039</u>
Net change in fund balances	<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>	<u>\$ 1,005,975</u>
Debt service as a percentage of noncapital expenditures	5%	5%	8%	18%	20%	32%	17%	17%	12%	10%

**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
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
2009	3,723,517,796	698,549,591	7,654,164	149,816,038	4,279,905,513	2.03	6,635,512,423	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
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
2009	2.03	2.03	7.38	0.56	2.28	0.03	0.40	0.90	0.38	0.40	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 Ten Years ago

111

Taxpayer	2009			1999		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
The District LC	\$ 123,022,600	1	3.01%			
Kennecott Land Residential	107,615,080	2	2.63%	\$ 14,854,803	1	1.63%
Merit Medical Systems Inc	36,120,760	3				
Walmart Stores INC.	27,020,900	4	0.66%			
Perry and Associates Inc	26,654,190	5				
Harvest Pointe LLC	23,340,900	6	0.57%			
JG Parkway Tower LLC	21,975,600	7	0.54%			
DBVC1 LLC	20,774,200	8	0.51%			
Boyer Jordan Heights LC	19,409,000	9	0.47%			
D E F Properties LLC	19,325,970	10	0.47%			
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%
<b>Total</b>	<b>\$ 425,259,200</b>		<b>10.40%</b>	<b>\$ 72,998,141</b>		<b>8.01%</b>

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
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%	185,748	2,535,368	99.99%
2003	2,755,848	2,614,582	94.87%	140,532	2,755,113	99.97%
2004	2,973,839	2,851,618	95.89%	120,254	2,971,871	99.93%
2005	3,226,756	3,074,510	95.28%	145,522	3,220,032	99.79%
2006	3,904,953	3,752,707	96.10%	151,988	3,904,695	99.99%
2007	4,321,487	4,132,213	95.62%	152,524	4,284,737	99.15%
2008	6,250,207	5,949,216	95.18%	-	5,949,216	95.18%
2009	7,259,823	6,777,184	93.35%	-	6,777,184	93.35%

Source: The City of South Jordan

**CITY OF SOUTH JORDAN**

Taxable Sales by Category  
Last Ten Fiscal Years

	Fiscal Year									
	<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>	<u>2009</u>
Retail/Grocery	\$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	\$ 241,101,515
Utility/Communication	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	67,374,651
Auto dealers & supplies	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	98,362,198
Eating & drinking establishments	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	38,330,187
Home furnishings and appliances	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	7,029,965
Medical	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	12,284,584
Service stations	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	9,964,394
All other outlets	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	163,606,162
Utah State Tax- Motor Vehicle	<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>	<u>13,551,321</u>
Totals	<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>	<u>\$ 651,604,977</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
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%
2009	1.000%	1.150%	4.700%

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 2009

	Fiscal Year 1998				Fiscal Year 2009			
	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%	60	7.63%	\$2,411,015	37.00%
Utility/Communication	26	8.00%	41,042	10.53%	72	9.16%	673,747	10.34%
Auto Dealers & Supplies	12	3.71%	105,697	27.11%	31	3.94%	983,622	15.10%
Eating/Drinking Establishments	16	5.00%	21,025	5.39%	66	8.40%	383,302	5.88%
Home Furnishings & Appliances	9	2.71%	4,153	1.07%	30	3.82%	70,300	1.08%
Medical	15	4.57%	11,677	3.00%	36	4.58%	122,846	1.89%
Service Stations	3	1.00%	5,422	1.39%	7	0.89%	99,644	1.53%
All Other Outlets	237	73.29%	75,412	19.34%	483	61.45%	1,636,062	25.11%
Utah State Tax - Motor Vehicle	1	0.14%	15,323	3.93%	1	0.13%	135,513	2.08%
<b>Total</b>	<u>324</u>	<u>100.00%</u>	<u>\$389,868</u>	<u>100.00%</u>	<u>786</u>	<u>100.00%</u>	<u>\$6,516,051</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.

**CITY OF SOUTH JORDAN**

Charges for Water Fees  
Last Eight 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>	<u>2009</u>
Water Sales	\$ 3,922,862	\$ 4,586,146	\$ 6,230,780	\$ 6,606,578	\$ 8,383,108	\$ 9,199,044	\$ 10,920,880	\$ 12,486,513
Secondary Water	323,236	365,979	632,498	616,258	647,932	647,248	616,037	624,251
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>	<u>299,002</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>	<u>\$ 13,409,766</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				
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	5.00%	1,283	
2009	7,675	685	1,842	20,845	1,094	5,266	10,300	36,610	5,940	172	90,429	6.23%	1,665	

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, 2009

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Salt Lake County	\$ 247,650,000	3.10%	\$ 7,677,150
Jordan School District	293,015,000	9.20%	26,957,380
South Valley Sewer District	-	24.61%	-
Central Utah Water Cons. District	315,996,430	2.21%	<u>6,983,521</u>
Subtotal, overlapping debt			41,618,051
<b>City direct debt</b>			<u>-</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 41,618,051</u></u>

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

**CITY OF SOUTH JORDAN**

Legal Debt Margin Information  
Last Ten Fiscal Years  
(dollars in thousands)

**Legal Debt Margin Calculation for Fiscal Year 2009**

Assessed value	\$ 4,279,906
Debt limit (12% of assessed value)	513,589
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>\$ 513,589</u>

119

	Fiscal Year									
	<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>	<u>2009</u>
Debt limit	\$121,265	\$136,206	\$151,956	\$169,690	\$184,763	\$207,087	\$ 233,417	\$ 311,500	\$ 438,853	\$ 513,589
Total net debt applicable to limit	<u>195</u>	<u>135</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<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>	<u>\$ 513,589</u>
Total net debt applicable to the limit as a percentage of debt limit	0.16%	0.10%	0.05%	0.00%	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
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
2008	11,883	7,807	4,076	1,115	1,244	1.73	805	395	410	1.00	7,174	450	564	7.07
2009	14,062	7,948	6,114	1,190	1,239	2.52	704	504	200	1.00	7,363	465	622	6.77

**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 Revenues	Debt Service		
		Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
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	-	-	-	-
2009	1,170	550	620	1.00	1,584	320	41	4.39	1,871	942	255	1.56

121

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
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	1,199,566,033	24,815	1.6%
2008	51,405	1,319,522,636 *	25,669	1.9%
2009	54,309	1,451,474,900 *	26,726	2.7%

Sources: Unemployment rate - [www.bls.gov/data/home.htm](http://www.bls.gov/data/home.htm)  
Personal income - [www.tax.utah.gov/esu/income](http://www.tax.utah.gov/esu/income)  
\* 2008 and 2009 personal income amounts not available; estimated  
based on average increase from previous years

**CITY OF SOUTH JORDAN**  
Principal Employers  
Current Year and Ten Years Ago

<u>Employer</u>	2009			2000		
	<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	2115	1	16.81%			
Merit Medical	857	2	6.81%	448	2	6.31%
Ultradent Products	750	3	5.96%	340	3	4.79%
City of South Jordan	440	4	3.50%			
Landesk Software	335	5	2.66%			
Wal-Mart Supercenter	297	6	2.36%			
Mona Vie	288	7	2.29%			
Lifetime Fitness	270	8	2.15%			
Megaplex 20	264	9	2.10%			
Hewlett Packard	250	10	1.99%			
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%
<b>Total</b>	<u>5,866</u>		<u>46.61%</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>	Full-time-Equivalent Employees as of June 30									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007<sup>1</sup></u>	<u>2008</u>	<u>2009</u>
General government	4.5	9.5	6.5	11	6	5.5	9.75	8.25	8.25	10.25
Management services	-	6	12	11.5	20.5	18.5	20.5	23	32	19
Finance	6	5	4	5	4	7	5	8	9	11
Planning	5	6	6	9	6	9	7	5	4.5	4.5
Building	5	5	5	7	7	8	8	10	8	8
Legal <sup>2</sup>								6	6	7
Municipal Court <sup>2</sup>								7.8	6	6
Other	4	4.75	5.75	7	7	7	7	11	15	24
Police										
Officers	29	26	37	37	37	43	41	48	50	49
Civilians	9	8.5	10.5	12	13.75	18.5	19.25	10.75	10.75	11.75
Fire										
Firefighters and officers	30	28	38	34	34	34	44	42	46	46
Civilians	1.5	1.5	1.5	-	-	0.5	1.5	2	2	2
Refuse collections	-	-	1	1	1	1	1	2	3	2
Other public works										
Engineering	6	8	8	10	11	12.75	15.5	19.5	20.0	20
Streets <sup>2</sup>								12	12	13
Storm Drain <sup>2</sup>								5	8	10
Other	11	13	20	26	20	32	39	12	11	11
Redevelopment	1	-	2	-	1.5	1.5	1	1	2	1
Parks and recreation	7	6	9	20.5	22	76	76.5	45.5	53.25	47.00
Library	-	-	-	-	-	-	-	-	-	-
Water	10	11	11.5	13	14	14	14	17	17	19
Wastewater	-	-	-	-	-	-	-	-	-	-
Transit	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>129</b>	<b>138.25</b>	<b>177.75</b>	<b>204</b>	<b>204.75</b>	<b>288.25</b>	<b>310</b>	<b>295.8</b>	<b>323.75</b>	<b>321.50</b>

Source: The City of South Jordan HR Department

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

<sup>2</sup> 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>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>	<u>2009</u>
General government										
Building permits issued	713	652	842	1,084	1,380	1,522	1,772	1,678	1,397	1,064
Building inspections conducted	10,407	11,563	14,631	24,918	29,077	34,368	46,760	55,350	47,269	41,852
Police										
Physical arrests	534	1,176	964	922	1,060	988	1,008	984	1,118	1,248
Parking violations	356	140	179	130	246	454	586	902	601	401
Traffic violations	6,073	11,971	12,039	12,944	13,785	14,179	12,485	11,466	12,882	11,892
Fire										
Emergency responses	1,223	1,290	1,544	1,803	1,790	1,886	2,174	2,256	2,315	2,472
Fires extinguished	60	67	114	101	147	132	134	146	121	123
Inspections	1,343	1,079	1,310	1,631	1,669	2,148	2,860	2,127	951	1,474
Other public works										
Street resurfacing (miles)	2	2	2	2	3	4	6	39	2	13
Potholes repaired	1,290	1,555	1,571	1,745	1,876	1,934	2,080	1,700	14,720	10,200
Parks and recreation										
Athletic field permits issued	6	6	6	6	6	6	6	7	8	
Community center admissions	-	-	-	4,960	5,109	5,262	5,420	7,590	11,364	14,176
Water										
New connections	213	246	419	1294	280	820	905	1035	872	689
Water main breaks	150	150	200	150	150	150	132	74	126	222
Average daily consumption (thousands of gallons)	8,187	8,056	7,727	7,591	8,014	7,645	9,547	12,431	11,378	10,587
Peak daily consumption (thousands of gallons)	18,830	18,528	17,772	17,459	18,433	17,583	22,148	24,194	27,139	25,382

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>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>	<u>2009</u>
Police										
Stations	1	1	1	1	1	1	1	2	2	2
Sub station	-	-	1	1	1	1	1	-	-	-
Patrol units	26	29	33	34	38	44	44	49	51	52
Fire Stations	1	1	2	2	2	2	2	2	2	2
Other public works										
Streets (miles)	125	150	151	166	178	183	196	211	262	286
Streetlights	1,085	2,071	2,111	2,123	2,150	2,477	3,785	3,965	4,096	4,230
Storm Drain (miles)	50	65	68	73	78	89	96	105	112	112
Traffic signals	8	8	9	9	10	10	12	15	18	21
Parks and recreation										
Acreage	153	180	210	260	260	298	388	388	388	400
Playgrounds	10	11	12	13	14	15	16	16	16	16
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	10
Soccer/football fields	5	5	5	5	9	9	9	9	9	9
Community centers	-	-	-	1	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	150	160	161	172	187	219	244	267	277	279
Irrigation Water Lines (miles)	100	105	105	85	86	93	95	101	157	161
Fire Hydrants	1,611	1,680	1,811	1,894	1,894	2,115	2,416	2,475	2,672	2,805
Storage capacity (thou. of gallons)	-	-	-	-	-	14,000	14,000	18,000	18,000	18,000

Sources: The City of South Jordan



THE  
PLAZA  
AT  
SOUTH  
JORDAN

# Internal Control and Compliance Reports



SOUTH JORDAN



**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

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

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

December 8, 2009

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of South Jordan as of and for the year ended June 30, 2009, and have issued our report thereon dated December 8, 2009. 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.

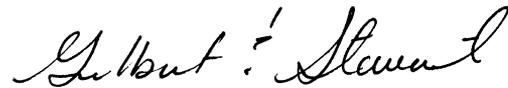
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal

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 weaknesses, 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 an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information of 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.



GILBERT & STEWART  
*Certified Public Accountants*



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

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

December 8, 2009

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, 2009, and have issued our report thereon dated December 8, 2009. 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; reporting; and 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, 2009. The City received the following major state assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement Funds (Utah State Tax Commission)

The City also received the following nonmajor 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 State of Utah Legal Compliance Audit Guide:

Public Debt	Special Districts
Cash Management	Other General Compliance Issues
Purchasing Requirements	Uniform Building Code Standards
Budgetary Compliance	Impact Fees
Justice Courts	Utah Retirement System Compliance
Asset Forfeitures	Truth in Taxation & Property Tax Limitations

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

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.

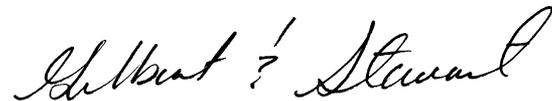
Our Audit does not provide a legal determination on the City's compliance with these requirements.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying letter. We consider these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

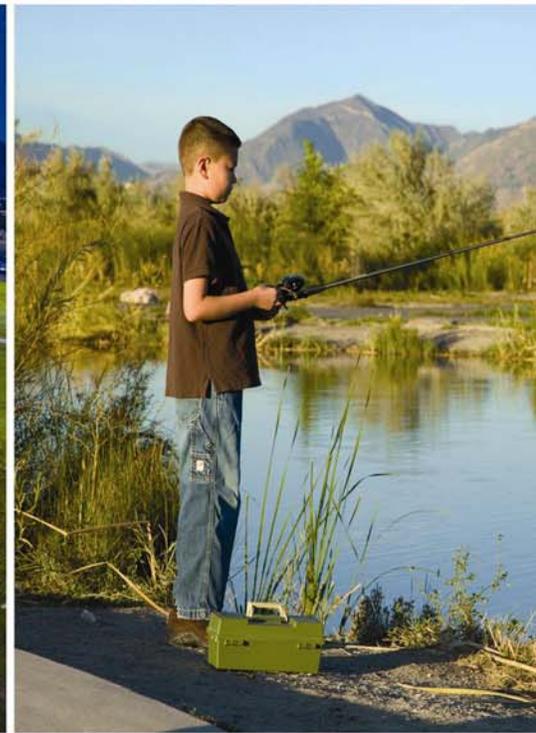
In our opinion, the City of South Jordan complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2009.

The City's written response to the finding identified in our audit is described in the accompanying letter. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of 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. However, the report is a matter of public record and its distribution is not limited.



GILBERT & STEWART  
*Certified Public Accountants*



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