

South Jordan

2012 Comprehensive Annual Financial Report



City of South Jordan, Utah
For Fiscal Year Ended June 30, 2012

**City of South Jordan
State of Utah**

Comprehensive Annual Financial Report
For the fiscal year ended
June 30, 2012

Prepared by the Finance Department

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City of South Jordan, Utah
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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Introductory Section

Scott L. Osborne, *Mayor*
Mark Seethaler, *Council Member*
Chuck Newton, *Council Member*
Brian Butters, *Council Member*
Steve Barnes, *Council Member*
Larry Short, *Council Member*

John H. Geilmann, *City Manager*



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October 26, 2012

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, 2012 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report must be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This CAFR has been prepared by the City's Finance department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control 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 day-to-day operations of the government.



First in State

1600 WEST TOWNE CENTER DRIVE SOUTH JORDAN, UTAH 84095 WWW.SJC.UTAH.GOV

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, golf course 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 53,902. 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 to the economic issues troubling the nation. 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. Unlike most jurisdictions, the City's actual sales tax revenues increased 9 percent from FY 2010-2011's actual revenues.

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 percent 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 percent for personnel costs and 23 percent 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 2011-12, the City had several significant new and ongoing projects. Some of these projects are listed below:

1. Culinary Water System. The City is in the final phase of 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. 11400 South Improvements. Utah Department of Transportation (UDOT) has completed making major improvements to increase capacity of this road through the City. In coordination with UDOT, the City has made major upgrades to increase capacity of City-owned utility assets.
3. Road Projects. The City continues to find ways to maintain its streets at an above average level. Recently, South Jordan Public Works staff members invented a machine that could potentially save the city hundreds of thousands of dollars. This machine seals streets by applying a product called GSB-88 in a process similar to waterproofing a wood deck.
4. Parks Projects. The South Jordan Parks Department completed a few projects along the Jordan River Parkway this year. A three year vegetation enhancement project included eradicating noxious weeds, plants, and trees. The addition of native grasses, shrubs and nearly 700 trees made a wonderful addition to the parkway. Construction started on the Mystic Springs Educational Area, a nearly 1-mile trail composed of native uplands and wetlands along the Jordan River trail. Additional park improvements were made to East Riverfront Park, Midas Pond, and Kidney Pond. A new UDOT pond was constructed in conjunction with South Valley Sewer's new pump house and UDOT's 11400 South road construction project. All of these improvements have further beautified the nearly four mile landscape along the Jordan River Parkway trail.

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 Dental School, which is the first dental school in the state of Utah.

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 areas (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 Harmon's, Gordman's, 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. As in previous years, the City is able to maintain in reserve funds, the maximum amount allowed under the State code. During the last five years, the City's governmental funds revenues increased from \$40,159,097 to \$52,002,505, and expenditures increased from \$36,751,439 to \$45,283,711. Growth in proprietary funds has increased during this period as well. Proprietary fund revenues increased from \$13,656,023 to \$19,292,905 while operating expenses rose from \$11,432,011 to \$16,809,635.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring an adequate internal control structure 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, 2012 disclosed certain immaterial instances of internal control weaknesses. The Schedule of Findings can be found on page 124.

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 rate in excess of its certified tax rate. In that case, a tentative budget is adopted and is in force until a public hearing is held to approve the increase.

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers of appropriations 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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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.

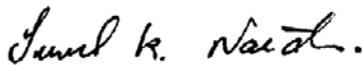
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the past 26 years. We believe our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

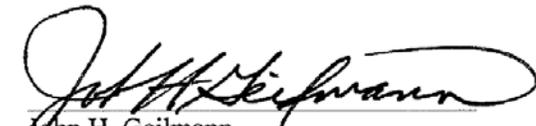
We would like to thank Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

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,



Sunil K. Naidu
Director of Finance



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, 2011

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.

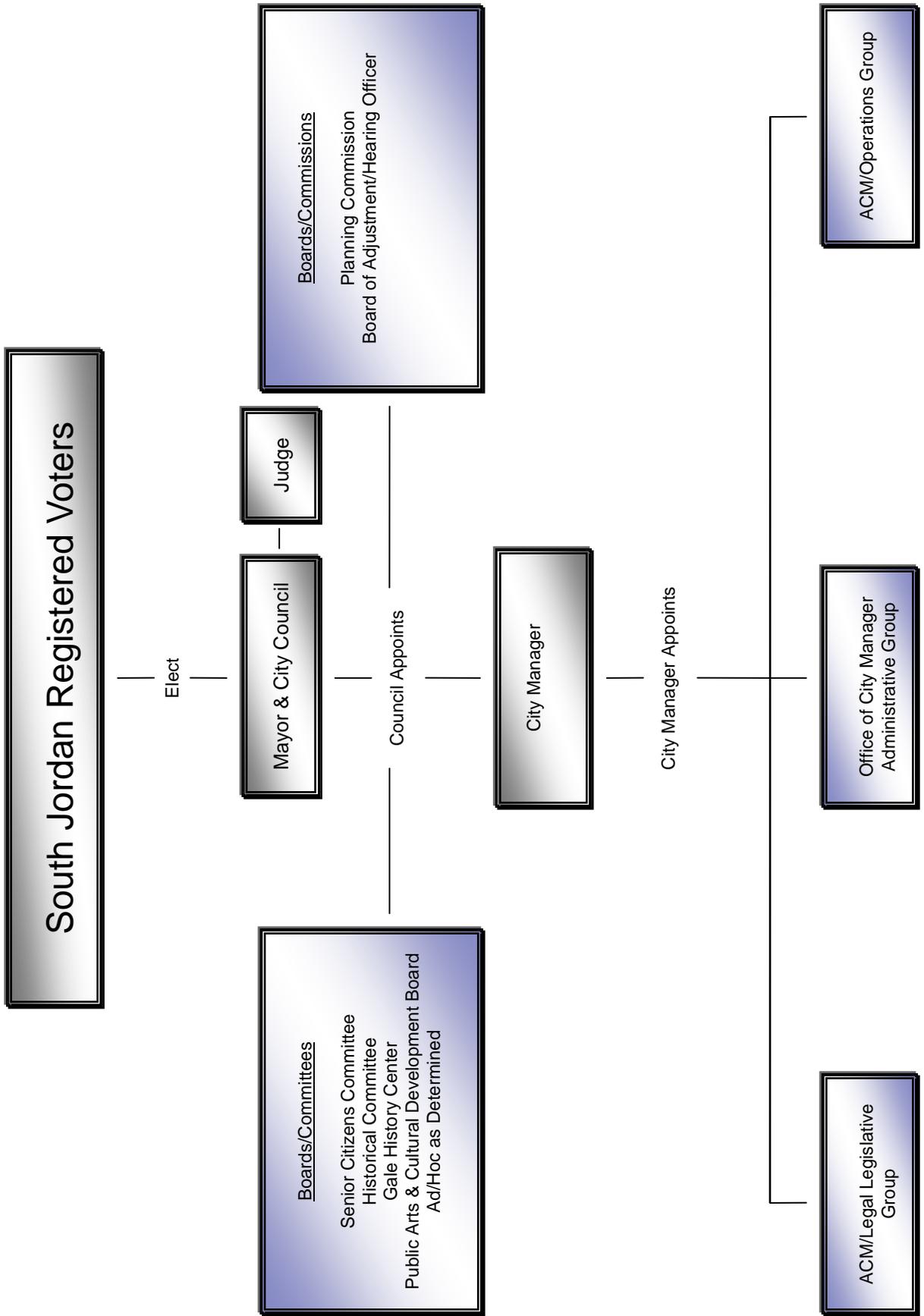


Linda C. Danison

President

Jeffrey R. Emer

Executive Director



City of South Jordan, Utah
 List of Elected and Appointed Officials
 As of June 30, 2012

Elected Officials:



Mayor Scott L. Osborne, Councilmember Mark Seethaler,
 Councilmember Chuck Newton, Councilmember Brian C. Butters,
 Councilmember Steve Barnes, Councilmember Larry Short

Appointed Officials:

John H. Geilmann	City Manager
I. Robert Wall.....	Assistant City Manager
Gary L. Whatcott	Assistant City Manager
Clinton E. Balmforth.....	Municipal Court Judge
Amy Harrington.....	City Treasurer
Anna West.....	City Recorder



Financial Section

Independent Auditor's Report



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

INDEPENDENT AUDITOR'S REPORT

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

October 26, 2012

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 as of and for the year ended June 30, 2012, 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 of South Jordan'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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated October 26, 2012 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 assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting

Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Jordan's financial statements as a whole. 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 financial statements. The combining and individual non-major fund financial statements, budgetary comparison schedules, and capital assets schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.


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 statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 2 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of fiscal year 2012 by \$330,905,933 (net assets). Of this amount, \$47,172,687 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets of the City of South Jordan increased by \$13,199,881. Of this increase, \$10,646,640 (80.7 percent) is attributable to governmental activities, mostly from capital projects. Business-type activities provided a \$2,553,241 increase to the City's net assets primarily due to planned increases in net assets to fund future capital projects.
- As of the close of fiscal year 2012, the City's governmental funds reported combined ending fund balances of \$33,457,855, an increase of \$6,888,747 (25.9 percent). The majority of fund balance is assigned to capital projects (24.8 percent) and Redevelopment Agency projects and commitments (30.4 percent).
- At the end of fiscal year 2012, unassigned fund balance of the general fund was \$5,188,567, or 19.5 percent of general fund expenditures (excluding transfers out). Utah state law allows any balance in excess of 5 percent of the total estimated revenues may be utilized for budget purposes. The maximum fund balance allowed is 18 percent of next fiscal year's estimated revenues. The City's General Fund balance is at the maximum level of 18 percent.
- The City's total long-term obligations decreased \$6,453,030 (8.0 percent). This is largely due to retiring the 2001 Sales Tax Revenue Bond and Zions note payable early, refinancing the 2002 MBA Lease Revenue Bond, and regularly scheduled debt service payments.

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 governmental activities of the City include general government, community development, public works, public safety, and parks & recreation. The business-type activities of the City include water, sanitation, and Mulligan's Golf & Games (Mulligan's).

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. Such information may be useful in evaluating a government's near-term financing requirements.

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

Governmental funds report the difference between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. *Nonspendable* includes inventories and long-term notes receivable that are not expected to be converted to cash. *Restricted* includes net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include bond proceeds designated for specific projects, debt service reserve requirements, and grant proceeds. *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the general fund and other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. *Unassigned* balances in the general fund are all other available net resources. At June 30, 2012, the City's combined governmental fund balance is \$33,457,855 (\$160,552 in nonspendable, \$5,895,421 in restricted, \$395,500 in committed, \$21,817,815 in assigned, and \$5,188,567 in unassigned fund balances).

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets 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 ten individual governmental funds:

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

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 funds, 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. The City uses enterprise funds to account for its water utility, sanitation services, and Mulligan's.

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, Mulligan's, and Sanitation. Water and Mulligan's are considered to be major funds and Sanitation is considered to be a nonmajor fund.

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 comparison statements for the City's general fund as well as its only major special revenue fund, which is the RDA. The RSI section begins on page 73.

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 statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 79, and the statistical section begins on page 95.

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 \$330,905,933 as of June 30, 2012.

By far the largest portion of the City's assets (82.4 percent) reflects its investments in capital assets (e.g., land, buildings and structure, machinery and equipment, improvements, construction in progress, infrastructure, and right of way), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's Net Assets:

CITY OF SOUTH JORDAN
 Summary of Net Assets
 For the Year Ended June 30, 2012

	Governmental		Business-Type		Total	
	Activities		Activities			
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 63,643,041	\$ 48,521,452	\$ 25,446,376	\$ 22,722,925	\$ 89,089,417	\$ 71,244,377
Capital assets	224,905,409	224,739,540	118,903,653	120,613,287	343,809,062	345,352,827
Total assets	288,548,450	273,260,992	144,350,029	143,336,212	432,898,479	416,597,204
Long-term debt outstanding	36,981,982	41,314,319	36,836,500	38,957,193	73,818,482	80,271,512
Other liabilities	26,041,972	17,068,817	2,132,092	1,550,823	28,174,064	18,619,640
Total liabilities	63,023,954	58,383,136	38,968,592	40,508,016	101,992,546	98,891,152
Net assets						
invested in capital assets,						
net of related debt	190,401,077	184,928,098	82,158,412	81,720,057	272,559,489	266,648,155
Restricted	6,487,565	5,778,082	4,686,192	5,357,073	11,173,757	11,135,155
Unrestricted	28,635,854	24,171,676	18,536,833	15,751,066	47,172,687	39,922,742
Total net assets	\$ 225,524,496	\$ 214,877,856	\$ 105,381,437	\$ 102,828,196	\$ 330,905,933	\$ 317,706,052

An additional portion of the City's net assets (3.4 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$47,172,687 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2012, 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.

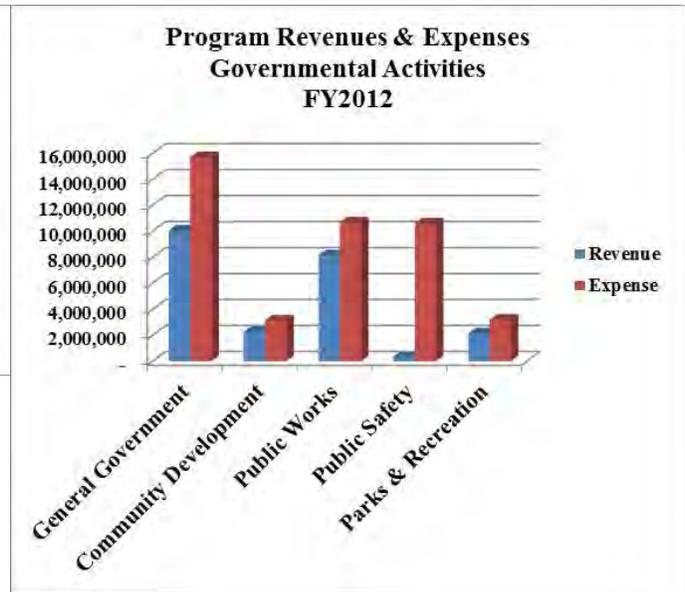
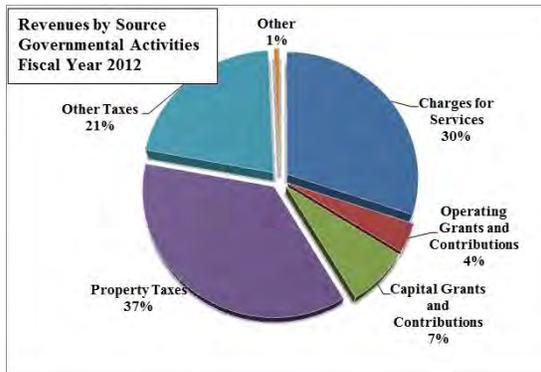
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2012:

CITY OF SOUTH JORDAN
 Summary of Changes in Net Assets
 For the Period Ended June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for Services	\$ 16,713,427	\$ 13,043,910	\$ 19,584,241	\$ 18,980,967	\$ 36,297,668	\$ 32,024,877
Operating Grants and Contributions	2,104,024	2,245,987	-	-	2,104,024	2,245,987
Capital Grants and Contributions	4,130,047	2,845,815	1,437,347	764,448	5,567,394	3,610,263
General Revenues:						
Property Taxes	20,241,346	17,254,088	-	-	20,241,346	17,254,088
Other Taxes	11,860,495	11,946,193	-	-	11,860,495	11,946,193
Other	380,297	199,610	-	-	380,297	199,610
Total Revenues	55,429,636	47,535,603	21,021,588	19,745,415	76,451,224	67,281,018
Expenses:						
General Government	15,715,909	12,172,636	-	-	15,715,909	12,172,636
Community Development	3,137,078	2,995,757	-	-	3,137,078	2,995,757
Public Works	10,680,313	10,556,329	-	-	10,680,313	10,556,329
Public Safety	10,593,261	10,247,065	-	-	10,593,261	10,247,065
Parks & Recreation	3,194,554	3,004,123	-	-	3,194,554	3,004,123
Interest on Long-Term Debt	1,469,003	1,792,390	-	-	1,469,003	1,792,390
Water	-	-	14,652,778	13,274,169	14,652,778	13,274,169
Sanitation	-	-	2,753,324	2,255,978	2,753,324	2,255,978
Mulligans	-	-	1,116,345	1,152,612	1,116,345	1,152,612
Total Expenses	44,790,118	40,768,300	18,522,447	16,682,759	63,312,565	57,451,059
Gain on Sale of Capital Assets	51,222	-	10,000	-	61,222	-
Increase (decrease) in net						
Assets Before Transfers	10,690,740	6,767,303	2,509,141	3,062,656	13,199,881	9,829,959
Transfers	(44,100)	(153,485)	44,100	153,485	-	-
Increase in Net Assets	10,646,640	6,613,818	2,553,241	3,216,141	13,199,881	9,829,959
Net Assets, Beginning	214,877,856	208,264,038	102,828,196	99,612,055	317,706,052	307,876,093
Net Assets, Ending	\$ 225,524,496	\$ 214,877,856	\$ 105,381,437	\$ 102,828,196	\$ 330,905,933	\$ 317,706,052

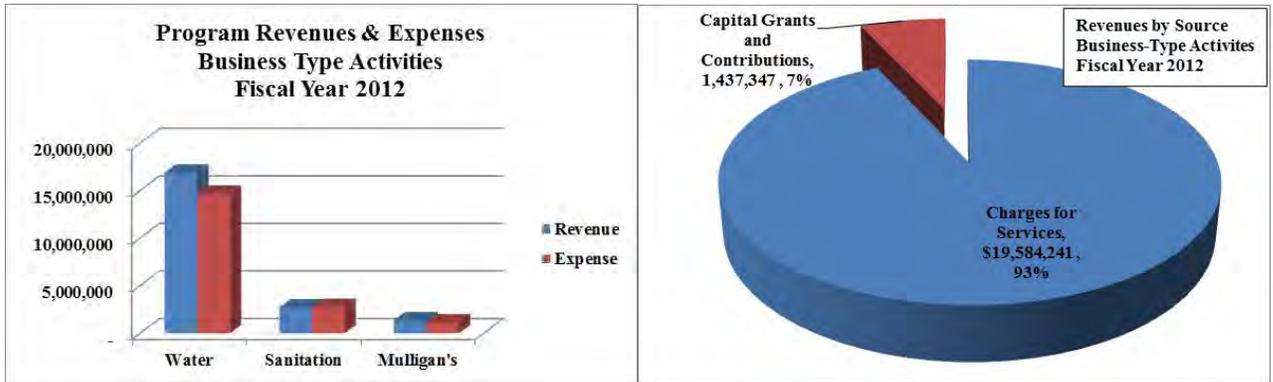
Governmental Activities – Governmental activities increased the City’s net assets by \$10,646,640. Key elements affecting governmental activities net assets are as follows:

- General fund revenues posted \$1,240,132 above expectations during fiscal year 2012. Specifically, sales tax exceeded expectations by \$297,468, property tax exceeded expectations by \$217,127, energy sales & use tax exceeded expectations by \$133,820, and ambulance fees exceeded expectations by \$261,227.
- During fiscal year 2012, the City’s governmental funds completed \$14,506,302 of capital projects which includes \$6,040,154 of projects that began in prior years. The most significant projects include 114th South betterments (\$1,830,698), Shields Lane improvements (\$1,045,890), street light additions (\$425,677), and 10000 South widening (\$981,717). Donated assets include \$1,160,925 in roads, \$465,084 in sidewalks, and \$1,818,071 in right of way.



Business-Type Activities – Business-type activities increased the City’s net assets by \$2,553,241, which represents a decrease of \$662,900 over the previous year’s change. Key elements of the change in business-type net assets are as follows:

- During fiscal year 2012, the City completed \$15,812,589 in capital projects, which includes \$14,014,851 started in prior years. Notable projects include \$9,845,227 for tank construction and improvements, \$730,561 in water line improvements in conjunction with the 104th South betterment project, and \$1,389,139 of water improvements in conjunction with the 114th South betterment project. In addition, \$616,802 of donated water lines were capitalized during the fiscal year.
- While operating revenue of \$1,343,934 was below expectations, careful spending allowed Mulligan’s to increase business-type activities net assets by \$286,129.
- The sanitation fund contributed \$29,171 to the business-type net asset increase. The majority of this increase is due to the City’s portion of Trans-Jordan Landfill’s increase in net assets (\$85,850).
- Water fund revenues exceeded expectations by \$991,230, and \$818,898 of impact fee revenue was received. The City does not spend current year impact fee revenue in the year collected. Collections are used for future impact fee eligible projects.



Financial Analysis of Government's Funds

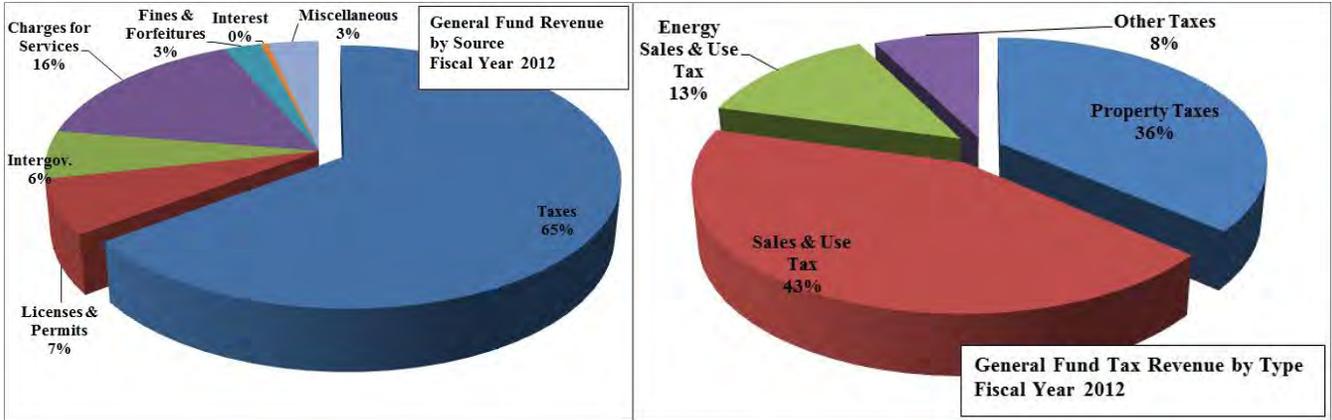
Governmental Funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure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

As of June 30, 2012, The City's governmental funds (General, Capital Projects, Debt Service, RDA, and nonmajor funds) reported combined fund balances of \$33,457,855. This represents an increase of \$6,888,747 from last year's ending balances. \$5,188,567 (15.5 percent) of the total fund balance constitutes *unassigned fund balance* and is therefore available for spending at the City's discretion. *Assigned fund* balance totals \$21,817,815 (65.2 percent), meaning the City intends to use this amount for specific purposes (debt service, RDA, capital projects, storm drain projects, fitness center, MBA, and perpetual care). *Committed* fund balance totals \$395,500, which the City intends to use for cemetery perpetual care. Fund balance of \$5,895,421 (17.6 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for capital projects, debt service, and arts & cultural development. The City has also has inventory (\$26,239) and long-term notes receivable (\$134,313) which are classified as *nonspendable* fund balance.

General Fund

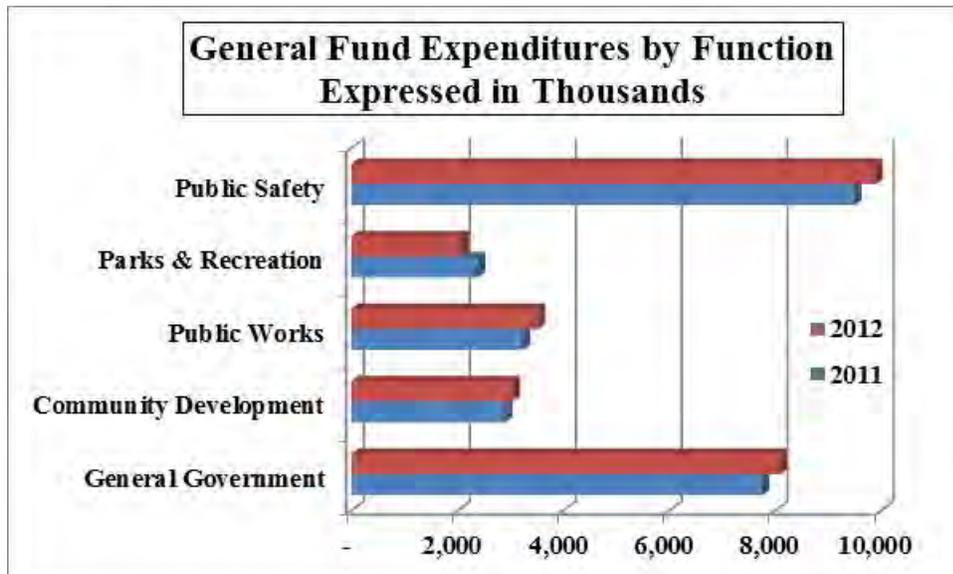
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Expenditures (including other financing sources & uses) exceeded revenues in the general fund by \$72,090 during the year, which is due to a transfer of \$2,905,125 to the construction fund to preserve the general fund balance at 18 percent.

Taxes continue to be the largest source of revenue in the General Fund and represent 64.8 percent of total general fund revenues. The largest component of tax revenue is sales tax, which represents 43.0 percent of total tax revenues and 27.9 percent of total general fund revenues. This compares with 27.2 percent of total general fund revenues in the prior fiscal year ended June 30, 2011.



General Fund expenditures increased from \$25,797,552 in 2011 to \$26,636,222 in 2012. This represents a 3.3 percent increase. The majority of the increase in general fund expenditures is due to a 2.0 percent cost of living adjustment, 5.0 percent health insurance premium increase, and 1.7 percent defined benefit retirement increase in fiscal year 2012.

The following chart compares general fund expenditures by function between 2011 and 2012:



Other Governmental Funds

Highlights from the City’s other governmental funds show indicators of a growing city. During fiscal year 2012, property tax collections from redevelopment areas increased 21.3 percent to a total of \$11,237,178 during the same period. RDA fund balance increased \$3,378,090 to a total of \$10,157,994 (49.8 percent increase). Fund balance will be used for future redevelopment related housing and capital projects and to fulfill RDA project commitments.

Total payments for debt service in the debt service fund increased from \$3,291,759 in 2011 to \$4,584,906 in 2012. This increase is attributable to retiring the 2001 Sales Tax Revenue Bonds

(\$1,560,000) and Zions Note Payable (\$103,243) early along with regularly scheduled debt service payments.

Fund balance in the construction fund increased \$2,488,458 from \$10,697,578 to \$13,186,036. Of this amount, \$3,999,313 (30.3 percent) is restricted for impact fee eligible capital projects. Assigned fund balance increased \$1,310,370 (18.8 percent) to \$8,277,160. This increase is attributable to a year-end transfer from the general fund (\$2,905,125) allowing the general fund to remain at the state-mandated 18 percent fund balance maximum. A total of \$4,300,396 in capital projects were completed in the construction fund during fiscal year 2012.

Storm drain revenue was \$115,069 above expectations during fiscal year 2012 mainly due to increased residential and commercial development. In addition, capital outlay expenditures were \$443,997 below expectations. These factors led to an increase in storm drain fund balance of \$951,345 (145.4 percent). During fiscal year 2012 storm drain fees were increased for both residential and commercial customers. The residential rate increased from \$5.00 per household to \$8.50 per ERU (equivalent residential unit, excluding the KMS development). Properties in the KMS development increased from \$5.00 per household to \$6.50 per ERU. Commercial properties changed from a rate based on the number of employees to a rate based on ERU. Additional revenue generated from the fee increases will be used to comply with federal storm water mandates and to improve the City's storm drain system.

Fund balance in the fitness center fund increased \$555,431 (145.4 percent) during fiscal year 2012. Of this increase, \$220,999 is attributable to consolidating the recreation and fitness center funds. An additional \$136,960 is attributable to a partially unspent transfer from the MBA fund for capital outlay. Charges for services exceeded expectations by \$97,716 and operating expenditures were under budget by \$52,863. The majority of the fund balance increase will be used for future fitness center capital projects.

During fiscal year 2012 the MBA advance refunded the 2002 MBA Lease Revenue Bond and issued the 2011 MBA Lease Revenue bond. More information concerning this transaction can be found on page 25 under "Long Term Debt." Fund balance decreased by \$237,127 (25.2 percent) during fiscal year 2012 due to bond refunding proceeds transferred to the fitness center for capital 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 increased from \$11,764,273 to \$14,392,345 in the water fund; increased from \$167,268 to \$239,530 in the Mulligans fund; and increased from \$3,819,525 to \$3,904,658 in the sanitation Fund.

Water rates were adjusted in prior years to keep pace with the City's increased cost to purchase water and to fund capital projects identified in the 2006 water rate study. This adjustment largely accounts for the increase in water fund unrestricted net assets, which will be used in future years on capital projects. During fiscal year 2012, a total of \$1,797,739 of capital assets were added (net of projects started in prior years). Water accounts receivable increased \$431,122 during the fiscal year due to increased water usage attributable to above-average temperatures and below-average

rainfall. Other factors have already been discussed in the discussion of South Jordan's business-type activities.

General Fund Budgetary Highlights

During the fiscal year, general fund budgeted expenditures were amended from an original budget total of \$27,411,850 to a final budget total of \$27,415,796. 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 \$229,560. \$232,054 of this decrease is attributable to budgeted expense decreases designated to increase fund balance.
- Community Development increased by \$65,107. The majority of this increase is due to a reorganization that occurred in early fiscal year 2012 that required adjustments to wages & benefits as employees moved departments and a cost of living adjustment.
- Public Works increased by \$207,800. The majority of this increase is due to a reorganization in fiscal year 2012 and a cost of living adjustment.
- Public Safety increased by \$282,714 due to a reorganization in fiscal year 2012 and a cost of living adjustment.
- Parks and Recreation decreased by \$322,115. The majority of this decrease is due to the recreation department being consolidated into the fitness center's budget during fiscal year 2012.

General fund budgeted revenues were amended from \$29,328,301 to \$31,225,573 (an increase of \$1,897,272, or 6.5 percent). Highlights of this increase include:

- An increase of \$961,247 to miscellaneous revenue for rebates received from Public Employees Health Plan (PEHP), the City's health insurance carrier.
- Sales tax budget increase of \$785,557 to account for better than anticipated revenue.
- Property tax budget decrease of \$239,531 to reflect actual revenue after receiving the year-end distribution from Salt Lake County.
- Increases to franchise taxes, motor vehicle fees, and class C road funds totaled \$175,005. These budget increases reflected greater than anticipated collections.
- Increase of RDA/CDA administration fees to reflect greater than anticipated RDA/CDA revenue (\$139,000).
- Country Fest revenue of \$67,426 increased the budget of miscellaneous revenue.

During the year, actual revenues were greater than budgeted revenues by \$1,240,132. Actual expenditures were less than budgeted expenditures by \$779,574. To maintain compliance with state maximum fund balance law, \$2,905,125 was transferred to the construction fund for future projects.

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, 2012 amounts to \$343,809,062 (net of accumulated depreciation). This investment in capital assets includes land, water shares, buildings, improvements, machinery and equipment, construction in progress, and right of way. The total decrease in the City's investment in capital assets for the current year was 0.44 percent (a 0.07 percent decrease for governmental activities and a 1.4 percent decrease for business-type activities).

CITY OF SOUTH JORDAN
Capital Assets, Net of Depreciation
June 30, 2012

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 58,086,228	\$ 58,069,728	\$ 12,134,910	\$ 12,134,910	\$ 70,221,138	\$ 70,204,638
Water Shares	-	-	18,961,482	18,961,482	18,961,482	18,961,482
Buildings	20,471,109	21,593,916	1,085,139	1,163,665	21,556,248	22,757,581
Improvements	130,659,142	126,317,587	84,795,805	72,834,038	215,454,947	199,151,625
Machinery & Equip.	3,727,561	3,713,016	1,251,994	1,278,690	4,979,555	4,991,706
Const. in Progress	3,744,413	8,619,508	674,323	14,240,502	4,418,736	22,860,010
Right of Way	8,216,956	6,425,785	-	-	8,216,956	6,425,785
Total Capital Assets	\$ 224,905,409	\$ 224,739,540	\$ 118,903,653	\$ 120,613,287	\$ 343,809,062	\$ 345,352,827

Major capital asset events during fiscal year 2012 include the following:

- \$4,704,014 in contributed infrastructure assets including \$403,614 in street lights, \$1,160,925 in donated roads, \$202,404 in curb & gutter, \$465,084 in sidewalk, \$79,949 in donated storm drain infrastructure, \$1,818,071 in right of way easements, and \$573,967 in water lines.
- Upgrades to the City's culinary water system totaling \$15,195,787 (including \$14,014,851 in prior year projects completed during fiscal year 2012).
- During the year, the City spent over \$10.4 million (including over \$6 million in projects started in prior years but completed in fiscal year 2012) on projects such as construction of new and/or extension of roads, improvements to park projects, and general vehicles and equipment.
- As of June 30, 2012, the City had construction commitments of \$2,990,891 for unfinished projects.

Additional information on the City's capital assets can be found in note 7 on page 59-60 of this report.

Long-term debt - As of June 30, 2012, the City had total long-term bonded debt outstanding of \$71,567,000. The entirety of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

CITY OF SOUTH JORDAN
 General Obligation and Revenue Bonds (Expressed in Thousands)
 June 30, 2012

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessment debt						
with governmental commitment	3,705	4,245	-	-	3,705	4,245
Revenue Bonds	31,322	34,716	36,540	38,650	67,862	73,366
Total bonded debt	<u>\$ 35,027</u>	<u>\$ 38,961</u>	<u>\$ 36,540</u>	<u>\$ 38,650</u>	<u>\$ 71,567</u>	<u>\$ 77,611</u>

The City's total bonded debt outstanding decreased by \$6,044,000 during the fiscal year (7.8 percent). This decrease is due to regularly scheduled debt service payments and retiring the 2001 Sales Tax Revenue Bond before maturity.

During fiscal year 2012 the City issued \$6,880,000 in 2011 MBA Lease Revenue Bonds for the purpose of advance refunding the 2002 MBA Lease Revenue Bonds at interest rates ranging from 2.0 percent to 3.375 percent with a final maturity date of October 15, 2023.

The City currently has no general obligation debt. The most recent bond ratings issued for South Jordan include: The Series 2008 Sales Tax Revenue Bonds, with a Standard & Poor's rating of "AA" and a Fitch rating of "AA+"; the Series 2009 Water Revenue Bonds, with a Standard and Poor's rating of "AA"; the Series 2011 MBA Lease Revenue Bonds, with a Standard & Poor's rating of "AA" and a Fitch rating of "AA." In addition, Fitch upgraded the remaining sales tax revenue bonds to "AA+" and assigned an implied "AAA" general obligation rating. Fitch specifically recognized the City's strong reserves, consistently balanced financial performance, growing revenue base, and conservative financial policies.

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of the "reasonable fair cash value" of property within the City. Of this percent, a maximum of 4 percent may be used for general purposes. The current limitation for the City is \$160,612,729, which is significantly in excess of the City's outstanding general obligation debt. The remaining 8 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 12 percent, 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 \$481,838,188, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long term-debt can be found in note 9 on pages 62-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The 2012 unemployment rate for the City of South Jordan was 5.8 percent. This compares with a national unemployment rate of 8.2 percent. The 2011 unemployment rate for the City of South Jordan was 6.4 percent. (Source: Bureau of Labor Statistics.)
- The General Fund budgeted revenues for the fiscal year ending June 30, 2013 (\$28,825,370) reflect a decrease of 8.33 percent over the final budgeted revenues for the fiscal year ended June 30, 2012 (\$31,225,573). In addition, general fund expenditures are two percent lower than the fiscal year 2012 mid-year amended budget. Although recent trends and financial results suggest an improving economy, the City budgeted fiscal year 2013 revenues and expenses conservatively.
- Minor business license, notary, and parks & recreation fee changes occurred for fiscal year 2013. No property tax or utility fee increases were proposed or approved.

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, Finance Department, 1600 West Towne Center Drive, South Jordan, UT 84095 or call (801) 254-3742, or e-mail kmaurer@sjc.utah.gov.



Basic Financial Statements

Government-Wide Financial Statements

CITY OF SOUTH JORDAN

Statement of Net Assets

June 30, 2012

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 32,754,531	\$ 17,322,549	\$ 50,077,080
Restricted Cash	1,881,944	1,650,316	3,532,260
Receivables	28,405,445	3,298,006	31,703,451
Internal Balances	46,820	(46,820)	-
Inventories	26,239	45,533	71,772
Other Assets	-	2,523,811	2,523,811
Bond Issuance Costs (Net)	528,062	652,981	1,181,043
Capital Assets Net of Depreciation:			
Land	58,086,228	12,134,910	70,221,138
Water Shares	-	18,961,482	18,961,482
Buildings	20,471,109	1,085,139	21,556,248
Improvements	130,659,142	84,795,805	215,454,947
Machinery & Equipment	3,727,561	1,251,994	4,979,555
Construction in Progress	3,744,413	674,323	4,418,736
Right of Way	8,216,956	-	8,216,956
Total Assets	288,548,450	144,350,029	432,898,479
LIABILITIES			
Accounts Payable	1,999,099	1,747,381	3,746,480
Unearned Revenue	21,131,109	-	21,131,109
Other Liabilities	2,325,192	74,694	2,399,886
Accrued Interest Payable	586,572	310,017	896,589
Long-term Liabilities			
Due Within One Year	3,456,558	2,242,448	5,699,006
Due in More Than One Year	33,525,424	34,594,052	68,119,476
Total Liabilities	63,023,954	38,968,592	101,992,546
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	190,401,077	82,158,412	272,559,489
Restricted For:			
Capital Improvements	4,529,007	3,035,876	7,564,883
Debt Service	1,352,250	1,650,316	3,002,566
Arts & Cultural Development	14,164	-	14,164
Perpetual Care			
Expendable	196,644	-	196,644
Non-Expendable	395,500	-	395,500
Unrestricted	28,635,854	18,536,833	47,172,687
Total Net Assets	\$ 225,524,496	\$ 105,381,437	\$ 330,905,933

See Accompanying Notes

CITY OF SOUTH JORDAN

Statement of Activities
For the Year Ended June 30, 2012

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental:				
General Government	\$ 15,715,909	\$ 10,023,023	\$ 33,298	\$ -
Community Development	3,137,078	2,207,553	47,400	-
Public Works	10,680,313	2,340,293	1,693,777	4,130,047
Public Safety	10,593,261	-	329,549	-
Parks & Recreation	3,194,554	2,142,558	-	-
Interest on Long-Term Debt	1,469,003	-	-	-
Total Governmental Activities	<u>44,790,118</u>	<u>16,713,427</u>	<u>2,104,024</u>	<u>4,130,047</u>
Business-Type:				
Water	14,652,778	15,457,540	-	1,437,347
Sanitation	2,753,324	2,782,767	-	-
Mulligan's	1,106,345	1,343,934	-	-
Total Business-Type Activities	<u>18,512,447</u>	<u>19,584,241</u>	<u>-</u>	<u>1,437,347</u>
Total Primary Government	<u>63,302,565</u>	<u>36,297,668</u>	<u>2,104,024</u>	<u>5,567,394</u>

General Revenues:
 Property Taxes
 Sales and Use Tax
 Energy Sales and Use Tax
 Other Taxes
 Gain (Loss) on Disposition of Capital Assets
 Unrestricted Investment Earnings
 Transfers
 Total General Revenues and Transfers
 Change in Net Assets
 Net Assets -- Beginning
 Net Assets -- Ending

See Accompanying Notes

CITY OF SOUTH JORDAN
Statement of Activities (Continued)
For the Year Ended June 30, 2012

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (5,659,588)	\$ -	\$ (5,659,588)
(882,125)	-	(882,125)
(2,516,196)	-	(2,516,196)
(10,263,712)	-	(10,263,712)
(1,051,996)	-	(1,051,996)
(1,469,003)	-	(1,469,003)
(21,842,620)	-	(21,842,620)
-	2,242,109	2,242,109
-	29,443	29,443
-	237,589	237,589
-	2,509,141	2,509,141
(21,842,620)	2,509,141	(19,333,479)
19,339,283	-	19,339,283
9,047,468	-	9,047,468
2,793,820	-	2,793,820
921,270	-	921,270
51,222	-	51,222
380,297	-	380,297
(44,100)	44,100	-
32,489,260	44,100	32,533,360
10,646,640	2,553,241	13,199,881
214,877,856	102,828,196	317,706,052
\$ 225,524,496	\$ 105,381,437	\$ 330,905,933

See Accompanying Notes

Governmental Fund Financial Statements

General Fund

The general fund is used to account for the resources traditionally associated with a 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)

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

Construction Fund

The construction 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.

Non-major Funds

Non-major governmental funds are presented by fund type beginning on page 80.



CITY OF SOUTH JORDAN
Balance Sheet
Governmental Funds
June 30, 2012

	Special Revenue			Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	RDA	Construction			
ASSETS							
Cash & Cash Equivalents	\$ 6,334,443	\$ 467,940	\$ 10,163,718	\$ 12,617,589	\$ 3,170,841	\$ 32,754,531	
Restricted for Debt Service	-	577,000	-	775,250	529,694	1,881,944	
Receivables	10,725,952	3,705,000	13,538,665	112,727	323,101	28,405,445	
Inventories	26,239	-	-	-	-	26,239	
Due From Other Funds	-	-	-	46,820	47,400	94,220	
Total Assets	\$ 17,086,634	\$ 4,749,940	\$ 23,702,383	\$ 13,552,386	\$ 4,071,036	\$ 63,162,379	
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable and Accrued Liabilities	1,443,304	-	5,724	366,350	183,721	1,999,099	
Construction Bonds and Refunds	2,325,192	-	-	-	-	2,325,192	
Due to Other Funds	-	-	-	-	47,400	47,400	
Deferred Revenue	496,724	3,705,000	-	-	-	4,201,724	
Unearned Revenue	7,592,444	-	13,538,665	-	-	21,131,109	
Total Liabilities	11,857,664	3,705,000	13,544,389	366,350	231,121	29,704,524	
FUND BALANCES							
Nonspendable Fund Balance							
Inventory	26,239	-	-	-	-	26,239	
Long-term Note Receivable	-	-	-	134,313	-	134,313	
Restricted Fund Balance							
Debt Service	-	577,000	-	775,250	-	1,352,250	
Impact Fees	-	-	-	3,999,313	-	3,999,313	
Construction	-	-	-	-	529,694	529,694	
Arts & Cultural Development	14,164	-	-	-	-	14,164	
Committed Fund Balance							
Perpetual Care	-	-	-	-	395,500	395,500	
Assigned Fund Balance							
Debt Service	-	467,940	-	-	-	467,940	
RDA	-	-	10,157,994	-	-	10,157,994	
Capital Projects	-	-	-	8,277,160	-	8,277,160	
Storm Drain Projects	-	-	-	-	1,605,542	1,605,542	
Fitness Center	-	-	-	-	937,353	937,353	
MBA	-	-	-	-	175,182	175,182	
Perpetual Care	-	-	-	-	196,644	196,644	
Unassigned Fund Balance							
General Fund	5,188,567	-	-	-	-	5,188,567	
Total Fund Balances	5,228,970	1,044,940	10,157,994	13,186,036	3,839,915	33,457,855	
Total Liabilities and Fund Balances	\$ 17,086,634	\$ 4,749,940	\$ 23,702,383	\$ 13,552,386	\$ 4,071,036	\$ 63,162,379	

Amounts reported for governmental activities in the statement of net assets are different because:
 Capital assets used in governmental activities are not financial resources.
 Other long-term assets are not available to pay for current-period expenditures.
 Long-term liabilities, including bonds payable, are not due and payable in the current period.
 Net assets of governmental activities

	224,905,409
	4,201,724
	(37,040,492)
	<u>\$ 225,524,496</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, 2012

	Special Revenue		
	General	Debt Service	RDA
REVENUES			
Taxes	\$ 21,027,579	\$ -	\$ 11,237,178
Licenses & Permits	2,207,553	-	-
Intergovernmental	1,908,847	-	-
Charges for Services	5,163,793	-	-
Fines & Forfeitures	827,665	-	-
Special Assessments	-	721,697	-
Interest	162,151	21,055	123,176
Impact Fees	-	-	-
Miscellaneous	1,168,117	149,005	-
Total Revenues	32,465,705	891,757	11,360,354
EXPENDITURES			
Current			
General Government	8,086,568	21,350	654,611
Community Development	3,047,669	-	-
Public Works	3,519,878	-	-
Public Safety	9,898,234	-	-
Parks and Recreation	2,083,873	-	-
Tax Increment Distributions	-	-	4,253,776
Capital Outlay & Projects	-	-	2,800
Debt Service			
Principal Retirement	-	3,568,188	844,000
Interest and Fees	-	1,016,718	385,068
Issuance Cost	-	-	-
Total Expenditures	26,636,222	4,606,256	6,140,255
Excess (Deficiency) of Revenues over Expenditures	5,829,483	(3,714,499)	5,220,099
Other Financing Sources (Uses)			
Issuance of Refunding Bonds	-	-	-
Bond Premium	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-
Transfers In	372,569	3,721,784	-
Transfers Out	(6,308,142)	-	(1,842,009)
Sale of Capital Assets	34,000	-	-
Total Other Financing Sources (Uses)	(5,901,573)	3,721,784	(1,842,009)
Net Change in Fund Balance	(72,090)	7,285	3,378,090
Fund Balances - July 1	5,301,060	1,037,655	6,779,904
Fund Balances - June 30	\$ 5,228,970	\$ 1,044,940	\$ 10,157,994

See accompanying notes.

CITY OF SOUTH JORDAN
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds (Continued)
For the Year Ended June 30, 2012

<u>Capital Projects</u>		
<u>Construction</u>	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 32,264,757
-	-	2,207,553
117,801	47,400	2,074,048
-	3,849,868	9,013,661
-	-	827,665
-	-	721,697
49,043	24,872	380,297
2,340,293	-	2,340,293
852,330	3,082	2,172,534
<u>3,359,467</u>	<u>3,925,222</u>	<u>52,002,505</u>
20,486	1,551,362	10,334,377
-	-	3,047,669
60,297	830,097	4,410,272
18,165	-	9,916,399
60,509	-	2,144,382
-	-	4,253,776
4,140,939	522,120	4,665,859
-	400,000	4,812,188
-	166,351	1,568,137
-	130,652	130,652
<u>4,300,396</u>	<u>3,600,582</u>	<u>45,283,711</u>
<u>(940,929)</u>	<u>324,640</u>	<u>6,718,794</u>
-	6,880,000	6,880,000
-	94,714	94,714
-	(6,838,782)	(6,838,782)
3,874,769	1,405,613	9,374,735
(489,504)	(779,181)	(9,418,836)
44,122	-	78,122
<u>3,429,387</u>	<u>762,364</u>	<u>169,953</u>
2,488,458	1,087,004	6,888,747
10,697,578	2,752,911	26,569,108
<u>\$ 13,186,036</u>	<u>\$ 3,839,915</u>	<u>\$ 33,457,855</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, 2012

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

Net Change in Fund Balance -- Total Governmental Funds	\$ 6,888,747
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.	(3,819,616)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	3,985,484
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(702,916)
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.	4,608,340
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(313,399)</u>
Change in net assets of governmental activities	<u><u>\$ 10,646,640</u></u>

See accompanying notes.

Proprietary Fund Financial Statements

Major Funds

Water Fund

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

Mulligans

The Mulligans 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.

Non-major Funds

Sanitation Fund

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



CITY OF SOUTH JORDAN

Statement of Net Assets

Proprietary Funds

June 30, 2012

	Business-type Activities - Enterprise Funds			Total
	Major		Nonmajor	
	Water Fund	Mulligans Fund	Sanitation Fund	
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 15,702,036	\$ 184,354	\$ 1,436,159	\$ 17,322,549
Accounts Receivable Net of Allowance	2,917,163	15,706	365,137	3,298,006
Inventories	32,677	12,856	-	45,533
Total Current Assets	18,651,876	212,916	1,801,296	20,666,088
Noncurrent Assets				
Restricted Cash	926,292	724,024	-	1,650,316
Investment in Landfill	-	-	2,523,811	2,523,811
Bond Issuance Costs	1,170,680	282,151	-	1,452,831
Accumulated Amortization	(717,556)	(82,294)	-	(799,850)
Capital Assets				
Land	2,117,963	10,016,947	-	12,134,910
Water Shares	18,961,482	-	-	18,961,482
Buildings and Structures	1,260,345	699,800	-	1,960,145
Improvements - Other than Buildings	108,862,465	357,798	-	109,220,263
Machinery and Equipment	1,823,915	294,977	1,240,656	3,359,548
Construction in Progress	674,323	-	-	674,323
Less Accumulated Depreciation	(26,061,236)	(792,687)	(553,095)	(27,407,018)
Capital Assets (Net of Accum Depreciation)	107,639,257	10,576,835	687,561	118,903,653
Total Noncurrent Assets	109,018,673	11,500,716	3,211,372	123,730,761
Total Assets	127,670,549	11,713,632	5,012,668	144,396,849
LIABILITIES				
Current Liabilities				
Accounts Payable	1,304,407	26,779	416,195	1,747,381
Accrued Liabilities	23,431	18,618	1,990	44,039
Interest Payable	252,608	57,409	-	310,017
Construction Bonds and Refunds	30,655	-	-	30,655
Compensated Absences	44,115	16,069	2,264	62,448
Bonds Payable	1,960,000	220,000	-	2,180,000
Interfund Payable	-	9,364	-	9,364
Total Current Liabilities	3,615,216	348,239	420,449	4,383,904
Noncurrent Liabilities				
Compensated Absences	21,263	7,548	-	28,811
Bonds & Leases Payable Net of Unamortized				
Refunding Bond Cost	29,391,670	5,173,571	-	34,565,241
Interfund Payable	-	37,456	-	37,456
Total Noncurrent Liabilities	29,412,933	5,218,575	-	34,631,508
Total Liabilities	33,028,149	5,566,814	420,449	39,015,412
NET ASSETS				
Investment in Capital Assets, Net of Related Debt	76,287,587	5,183,264	687,561	82,158,412
Restricted for:				
Capital Improvements	3,035,876	-	-	3,035,876
Debt Service	926,292	724,024	-	1,650,316
Unrestricted	14,392,645	239,530	3,904,658	18,536,833
Total Net Assets	\$ 94,642,400	\$ 6,146,818	\$ 4,592,219	\$ 105,381,437

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, 2012

	Business-type Activities - Enterprise Funds			Total
	Major		Nonmajor	
	Water Fund	Mulligan's Fund	Sanitation Fund	
Operating Revenues				
Charges for Services				
Operations	\$ 488,544	\$ 1,291,796	\$ 2,680,279	\$ 4,460,619
Pledged as Security for Revenue Bonds	14,765,267	-	-	14,765,267
Miscellaneous	14,881	52,138	-	67,019
Total Operating Revenue	15,268,692	1,343,934	2,680,279	19,292,905
Operating Expenses				
Costs of Services	8,027,463	806,003	2,308,065	11,141,531
General and Administrative	1,706,720	-	356,738	2,063,458
Depreciation	3,451,537	64,588	88,521	3,604,646
Total Operating Expenses	13,185,720	870,591	2,753,324	16,809,635
Operating Income (Loss)	2,082,972	473,343	(73,045)	2,483,270
Non-Operating Revenues (Expenses)				
Increase (Decrease) in Joint Venture	-	-	85,850	85,850
Interest	188,848	-	16,638	205,486
Gain (Loss) on Sale of Capital Assets	-	10,000	-	10,000
Amortization of Bond Issuance Costs	(51,991)	(11,756)	-	(63,747)
Interest & Fees	(1,415,067)	(233,998)	-	(1,649,065)
Total Non-Operating Revenue (Expenses)	(1,278,210)	(235,754)	102,488	(1,411,476)
Income (Loss) Before Contributions and Transfers	804,762	237,589	29,443	1,071,794
Contributions and Transfers				
Capital Contributions, Impact Fees and Other	1,437,347	-	-	1,437,347
Transfers In	-	49,009	-	49,009
Transfers Out	(4,168)	(469)	(272)	(4,909)
Total Contributions & Transfers	1,433,179	48,540	(272)	1,481,447
Change in Net Assets	2,237,941	286,129	29,171	2,553,241
Total Net Assets - Beginning	92,404,459	5,860,689	4,563,048	102,828,196
Total Net Assets - Ending	\$ 94,642,400	\$ 6,146,818	\$ 4,592,219	\$ 105,381,437

See Accompanying Notes

CITY OF SOUTH JORDAN

Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2012

	Business-type Activities - Enterprise Funds			
	Major		Nonmajor	Totals
	Water Fund	Mulligans	Sanitation Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 14,842,522	\$ 1,328,641	\$ 2,660,740	\$ 18,831,903
Payments to Suppliers	(6,624,455)	(247,214)	(1,903,183)	(8,774,852)
Interfund Services	(1,706,720)	-	(356,738)	(2,063,458)
Payments to Employees	(1,068,800)	(556,351)	(105,977)	(1,731,128)
Net Cash Provided (Used) by Operating Activities	5,442,547	525,076	294,842	6,262,465
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	-	49,009	-	49,009
Transfers Out	(4,168)	(469)	(272)	(4,909)
Net Cash Provided (Used) by Noncapital Financing Activities	(4,168)	48,540	(272)	44,100
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Impact Fees	820,545	-	-	820,545
Purchase of Capital Assets	(1,180,936)	(64,715)	(32,560)	(1,278,211)
Proceeds From Interfund Loan	-	46,820	-	46,820
Principal Paid on Capital Debt	(1,900,000)	(210,000)	-	(2,110,000)
Interest Paid on Capital Debt	(1,468,919)	(239,838)	-	(1,708,757)
Proceeds From Sale of Capital Assets	-	10,000	-	10,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,729,310)	(457,733)	(32,560)	(4,219,603)
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income	188,848	-	16,638	205,486
Net Increase (Decrease) in Cash and Cash Equivalents	1,897,917	115,883	278,648	2,292,448
Cash and Cash Equivalents - Beginning of Year	14,730,411	792,495	1,157,511	16,680,417
Cash and Cash Equivalents - End of Year	\$ 16,628,328	\$ 908,378	\$ 1,436,159	\$ 18,972,865
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 2,082,972	\$ 473,343	\$ (73,045)	\$ 2,483,270
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	3,451,537	64,588	88,521	3,604,646
(Increase) Decrease in Receivables	(431,122)	-	(19,539)	(450,661)
(Increase) Decrease in Inventory	11,645	(998)	-	10,647
Increase (Decrease) in Accounts Payable	324,596	15,235	301,701	641,532
Increase (Decrease) in Accrued Liabilities	(16,581)	(19,025)	(2,952)	(38,558)
Increase (Decrease) in Accrued Vacation and Sick Leave	19,500	7,639	156	27,295
Total Adjustments	3,359,575	67,439	367,887	3,794,901
Net Cash Provided (Used) by Operating Activities	\$ 5,442,547	\$ 540,782	\$ 294,842	\$ 6,278,171
Noncash Investing, Capital, and Financing Activities:				
Contributions of Capital Assets From Developers	\$ 616,802	\$ -	\$ -	\$ 616,802
Increase (Decrease) in Equity Investment in Trans-Jordan Landfill	-	-	85,850	85,850

See Accompanying Notes

Notes to the Financial Statements

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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 Towne Center Drive
South Jordan City, Utah 84095

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

B. Government-Wide and Fund Financial Statements

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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 *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 principal ongoing operations.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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. For governmental funds, any compensated absence liability has typically been liquidated by the general fund.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY (CONTINUED)

7. Taxes

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

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

8. Long-Term Obligations

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY (CONTINUED)

9. Fund Equity

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

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable. Nonspendable fund balance represents inventory and long-term receivables.
- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service and impact fees.
- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The committed fund balance includes amounts for perpetual care.
- **Assigned.** This category includes Governmental Funds balance amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. This intent is expressed by written approval of the City's administration comprised of the City administrative council. This category also includes the remaining positive fund balance for other governmental funds. The City has assigned the following: debt service, redevelopment, capital projects, storm drains, recreation programs, fitness center, debt service, and perpetual care.
- **Unassigned.** Residual balances in the general fund are classified as unassigned.

When an expenditure is incurred for purposes for which amounts in any unrestricted fund balance classification could be used, it is the City's policy to use committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY (CONTINUED)

10. Use of Estimates

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

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

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

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

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

Capital related items:

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

Cost of capital assets	\$303,939,881
Accumulated depreciation	<u>(79,034,472)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$224,905,409</u>

Long-term debt transactions:

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

CITY OF SOUTH JORDAN
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2012

NOTE 2 – RECONCILIATION (CONTINUED)

Bonds payable	\$ 35,027,000
Less: Deferred charge for issuance costs - (to be amortized over life of debt)	(528,062)
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(626,119)
Plus: Bond premium (to be amortized to interest income)	252,647
Accrued interest payable	586,572
Capital lease payable	279,530
Compensated absences	1,569,289
Claims and Judgments	378,667
Notes Payable	<u>100,968</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 37,040,492</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	\$ 3,705,000
Delinquent property taxes	<u>496,724</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 4,201,724</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.”

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – RECONCILIATION (CONTINUED)

Capital outlay	\$ 4,336,102
Depreciation expense	<u>(8,155,718)</u>
Net adjustment to decrease <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>(\$ 3,819,616)</u>

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

In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the Governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold. (\$ 144,563)

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 4,130,047

Net adjustment to increase *net changes in fund balances –
total governmental funds* to arrive at *changes in net assets of
governmental activities* \$3,985,484

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	(\$540,000)
Delinquent property taxes	<u>(162,916)</u>
Net adjustments	<u>(\$702,916)</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.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – RECONCILIATION (CONTINUED)

Debt issued or incurred:	
2011 MBA refunding bond	(\$6,880,000)
2011 MBA refunding cost	313,782
Bond issuance costs	130,652
2011 MBA bond premium	(94,714)
Claims and Judgments	(86,722)
Issuance cost amortization	(213,013)
Deferred Refunding Costs amortization	<u>(38,243)</u>
Total debt incurred	<u>(6,868,258)</u>
Principal payments	
Capital leases	\$ 220,450
MBA revenue bond	6,925,000
Sales tax revenue bond	2,030,000
Sales tax refunding bond	50,000
Special improvement Refunding bond	540,000
Redevelopment Agency bond	844,000
Sales Tax Bond	425,000
Notes payable	349,730
Bond premium amortization	<u>92,418</u>
Total principal payments	<u>\$11,476,598</u>
Net adjustments to increase <i>net changes in fund balances-total</i> governmental funds to arrive at <i>changes in net assets of</i> <i>governmental activities</i>	
	<u>\$ 4,608,340</u>
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	(\$ 358,358)
Accrued interest	<u>44,959</u>
Net adjustment to increase <i>net changes in fund balances – total</i> <i>governmental funds</i> to arrive at <i>changes in net assets of</i> <i>governmental activities</i>	
	<u>(\$ 313,399)</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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.

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

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

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 the City’s cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash, Cash Equivalents, and Temporary Cash Investments	\$53,017,196
Cash and Cash Equivalents – Permanent Fund	<u>592,144</u>
Total Cash and Cash Equivalents	<u>\$53,609,340</u>

While the City’s carrying amount of deposits was \$53,609,340 the balance in the City’s bank account and cash on hand was \$54,210,164, 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, 2012 the deposits are as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2012</u>
Checking and Cash on Hand	Insured	18,249
Investment Sweep	Uninsured and Uncollateralized	1,618,277
Total Deposits		\$ 1,636,526

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 \$49,599,639 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, 2012

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, 2012:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More Than 10	
Collateralized Money					
Market	\$ 8,348,157	\$ -	\$ -	\$ -	Unrated
Uncollateralized Money					
Market	10,833	-	-	-	Unrated
Utah Public Treasurer’s Investment Fund	33,628,921	-	-	-	Unrated
U.S. Agencies	-	751,081	-	-	AAA
Corporate Notes	4,603,360	2,257,287	-	-	AA
Total Investments	<u>\$ 46,591,271</u>	<u>\$ 3,008,368</u>	<u>\$ -</u>	<u>\$ -</u>	

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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 and fixed rate negotiable deposits and corporate obligations to 365 days or less. The City has not invested in commercial paper during 2012. 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 6 percent 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	Mulligan's	Nonmajor Governmental	Total
Receivables:									
Accounts	\$ 22,364	\$ -	\$ -	\$ -	\$2,856,356	\$370,697	\$15,706	\$ 279,744	\$ 3,544,867
Property Tax	8,187,099	-	13,538,665	-	-	-	-	-	21,725,764
Other Taxes	2,160,627	-	-	-	-	-	-	-	2,160,627
Special									
Assessments	-	3,705,000	-	-	103,613	-	-	-	3,808,613
Intergovernmental	355,884	-	-	112,727	-	-	-	47,400	516,011
Less: Allowance for Uncollectible Accounts	(22)	-	-	-	(42,806)	(5,560)	-	(4,043)	(52,431)
	<u>\$10,725,952</u>	<u>\$3,705,000</u>	<u>\$13,538,665</u>	<u>\$ 112,727</u>	<u>\$2,917,163</u>	<u>\$365,137</u>	<u>\$15,706</u>	<u>\$ 323,101</u>	<u>\$31,703,451</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers:

	Transfer Out					Total
	General	Construction	RDA	Nonmajor Govrnmntl.	Business- Type	
Transfer In:						
General	\$ -	\$ -	\$ 356,394	\$ 11,266	\$ 4,909	\$ 372,569
Debt Service	2,459,368	489,504	772,912	-	-	3,721,784
Construction	3,718,774	-	-	155,995	-	3,874,769
Nonmajor Govtl.	130,000	-	712,703	562,911	-	1,405,614
Business-Type	-	-	-	49,009	-	49,009
Total Transfer Out	<u>\$6,308,142</u>	<u>\$ 489,504</u>	<u>\$1,842,009</u>	<u>\$779,181</u>	<u>\$ 4,909</u>	<u>\$9,423,745</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.

Interfund Receivables / Payables:

During the fiscal year 2012 Mulligans acquired a note with the Construction fund in the amount of \$46,820 to purchase golf carts. The note will be repaid with annual principal and interest payments through July 2016. The note carries an interest rate of 3.40 percent.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ -	\$ 7,592,444
Delinquent property taxes (general fund)	496,724	-
Property taxes receivable (redevelopment agency)	-	13,538,665
Special assessments not yet due (debt service fund)	<u>3,705,000</u>	-
Total deferred/unearned revenue for governmental funds	<u>\$ 4,201,724</u>	<u>\$21,131,109</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 58,069,728	\$ 16,500	\$ -	\$ 58,086,228
Land Right of Way	6,425,785	1,818,071	26,900	8,216,956
Construction in Progress	8,596,760	1,187,826	6,040,173	3,744,413
Total capital assets not being depreciated	<u>73,092,273</u>	<u>3,022,397</u>	<u>6,067,073</u>	<u>70,047,597</u>
Capital assets being depreciated:				
Buildings	28,325,643	-	159,000	28,166,643
Improvements	181,471,376	10,360,491	-	191,831,867
Machinery & Equipment	12,992,308	1,123,434	221,968	13,893,774
Total capital assets being depreciated	<u>222,789,327</u>	<u>11,483,925</u>	<u>380,968</u>	<u>233,892,284</u>
Less accumulated depreciation for:				
Buildings	6,731,727	1,005,144	41,337	7,695,534
Improvements	55,131,262	6,041,462	-	61,172,724
Machinery & Equipment	9,279,072	1,109,112	221,970	10,166,214
Total accumulated depreciation	<u>71,142,061</u>	<u>8,155,718</u>	<u>263,307</u>	<u>79,034,472</u>
Total capital assets, being depreciated, net	<u>151,647,266</u>	<u>3,328,207</u>	<u>117,661</u>	<u>154,857,812</u>
Governmental activities capital assets, net	<u>\$ 224,739,539</u>	<u>\$ 6,350,604</u>	<u>\$ 6,184,734</u>	<u>\$ 224,905,409</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 12,134,910	\$ -	\$ -	\$ 12,134,910
Construction in Progress	14,260,523	428,651	14,014,851	674,323
Water Shares	18,961,482	-	-	18,961,482
Total capital assets not being depreciated	<u>45,356,915</u>	<u>428,651</u>	<u>14,014,851</u>	<u>31,770,715</u>
Capital assets being depreciated:				
Buildings	1,960,145	-	-	1,960,145
Improvements	93,935,051	15,285,214	-	109,220,265
Machinery & Equipment	3,197,536	196,002	33,990	3,359,548
Total capital assets being depreciated	<u>99,092,732</u>	<u>15,481,216</u>	<u>33,990</u>	<u>114,539,958</u>
Less accumulated depreciation for:				
Buildings	796,480	78,526	-	875,006
Improvements	21,121,035	3,303,422	-	24,424,457
Machinery & Equipment	1,918,849	222,698	33,990	2,107,557
Total accumulated depreciation	<u>23,836,364</u>	<u>3,604,646</u>	<u>33,990</u>	<u>27,407,020</u>
Total capital assets, being depreciated, net	<u>75,256,368</u>	<u>11,876,570</u>	<u>-</u>	<u>87,132,938</u>
Business-type activities capital assets, net	<u>\$ 120,613,283</u>	<u>\$ 12,305,221</u>	<u>\$ 14,014,851</u>	<u>\$ 118,903,653</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 661,865
Community Development	19,171
Parks & Recreation	519,137
Public Works	5,905,221
Public Safety	1,050,324
Total Depreciation Expense - Governmental Activities	8,155,718
Business-Type Activities:	
Water	3,451,537
Mulligan's	64,588
Sanitation	88,521
Total Depreciation Expense - Business-Type Activities	3,604,646
Total Depreciation Expense	\$ 11,760,364

Construction Commitments

The government has various construction projects as of June 30, 2012. The government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
Park Projects	\$ 652,821
Storm Drain Projects	138,213
Water Projects	1,283,865
Road Projects	875,457
General Project	40,535
Total	\$ 2,990,891

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - LEASE COMMITMENTS

The City during 2002 executed a new lease in the amount of \$1,428,000 payable in annual installments for 10 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 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 for 5 years.

The assets acquired through capital leases are as follows:

Asset:	Governmental <u>Activities</u>
Machinery and Equipment	\$3,613,308
Less: Accumulated Amortization	(2,741,483)
Total	<u>\$ 871,825</u>

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

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - LEASE COMMITMENTS (CONTINUED)

The present value of future minimum capital lease payments under these leases as of June 30, 2012:

Fiscal Year	Governmental Amount	Business-Type Amount	Total Amount
2013	\$ 100,319	\$ -	\$ 100,319
2014	100,319	-	100,319
2015	100,319	-	100,319
Total Minimum Lease Payments	300,957	-	300,957
Less: Amounts Representing Interest	(21,427)	-	(21,427)
Present Value of Minimum Lease Payments	<u>\$ 279,530</u>	<u>\$ -</u>	<u>\$ 279,530</u>

At June 30, 2012 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	\$ 279,530	\$ -	\$ 279,530
Current Portion Capital Leases Payable	(89,736)	-	(89,736)
Long-Term Capital Leases Payable	<u>\$ 189,794</u>	<u>\$ -</u>	<u>\$ 189,794</u>

NOTE 9 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2012, are comprised of the following:

Revenue Bonds:

2001 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 percent

Debt was partially defeased with new bond issue.

The bond was retired in 2012.

\$ -

2006 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 from 4.00 to 4.25%.

9,665,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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% The debt was partially defeased with a new bond issue.	\$ -
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.	2,010,000
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%.	20,700,000
2005 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%	5,330,000
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%.	7,872,000
2008 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%.	6,905,000
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%.	8,500,000
2011 Lease Revenue Refunding Bond:	
\$6,880,000 Lease Revenue Refunding Bond due in annual Principal and semi-annual interest payment through Oct 2023 – Interest is at a rate of 2.00-3.375%.	6,880,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 - LONG-TERM DEBT (CONTINUED)

Fiscal Year	Revenue Bonds			
	Governmental		Business-Type	
	Principal	Interest	Principal	Interest
2013	\$ 1,499,000	\$ 1,066,121	\$ 2,180,000	\$ 1,605,784
2014	1,927,000	1,006,393	2,280,000	1,512,172
2015	2,007,000	946,270	2,365,000	1,409,860
2016	2,652,000	136,220	2,500,000	1,293,101
2017	2,759,000	773,340	2,590,000	1,171,069
2018-2022	13,123,000	2,379,270	14,875,000	3,877,164
2023-2027	7,355,000	548,436	8,910,000	909,978
2028-2032	-	-	840,000	57,150
Total	\$ 31,322,000	\$ 6,856,050	\$ 36,540,000	\$ 11,836,278

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%.

In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources, for example, foreclosure proceedings are received.

\$ 3,705,000

Fiscal Year	Special Assessment Bond	
	Governmental	
	Principal	Interest
2013	\$ 561,000	\$ 142,605
2014	582,000	121,013
2015	605,000	98,611
2016	628,000	75,325
2017	652,000	51,153
2018-2021	677,000	26,058
Total	\$ 3,705,000	\$ 514,765

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%. Paid off during 2012.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Note Payable:

\$420,000 Note Payable on a building purchase with annual principal and interest payments through August 2014 – interest rate of 5%. \$ 100,968

Note Payable:

\$274,132 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. 378,667

<u>Fiscal Year</u>	Notes Payable	
	<u>Governmental</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 428,002	\$ 5,057
2014	51,633	2,590
Total	<u>\$ 479,635</u>	<u>\$ 7,647</u>

The future annual requirements for all outstanding bond and note obligations as of June 30, 2012 are as follows:

<u>Fiscal Year</u>	All Bonds and Notes		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 4,668,002	\$ 2,819,567	\$ 7,487,569
2014	4,840,633	2,642,168	7,482,801
2015	4,977,000	1,044,881	6,021,881
2016	5,780,000	2,404,646	8,184,646
2017	6,001,000	1,995,562	7,996,562
2018-2022	28,675,000	6,282,492	34,957,492
2023-2027	16,265,000	1,458,414	17,723,414
2028-2032	840,000	57,150	897,150
Total	<u>\$ 72,046,635</u>	<u>\$ 18,704,880</u>	<u>\$ 90,751,515</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – LONG-TERM DEBT (CONTINUED)

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. That outstanding bond principal of \$9,240,000 was retired in 2012.

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 \$15,990,000 of the two bonds' original debt is still outstanding.

During fiscal year 2012 the City issued \$6,880,000 of Lease 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 2002 Lease Revenue Bonds. As a result \$6,525,000 of the outstanding principal for this bond was considered to be defeased and was removed from the governmental activities column of the statement of net assets. As of the balance sheet date \$6,525,000 of the bonds' original debt is still outstanding. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt is \$433,900. The economic gain (difference between the present values of the old and new debt service payments) resulting from this transaction is \$395,076.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Debt

	July 1 2011	Additions	Reductions	June 30 2012	Due in One Year
Governmental Activities:					
Bonds Payable:					
Sales Tax Revenue Bond	\$ 2,030,000	\$ -	\$ 2,030,000	\$ -	\$ -
Sales Tax Revenue Refunding Bond	9,715,000	-	50,000	9,665,000	50,000
2002 Lease Revenue Bond	6,925,000	-	6,925,000	-	-
Special Assessment Refunding Bond	4,245,000	-	540,000	3,705,000	561,000
RDA Bond	8,716,000	-	844,000	7,872,000	859,000
2009 Sales Tax Bond	7,330,000	-	425,000	6,905,000	435,000
2011 Lease Revenue Bond	-	6,880,000	-	6,880,000	155,000
Unamortized Bond Premium	250,348	94,717	92,418	252,647	-
Less: Deferred Amount on Refunding	(350,583)	(313,779)	(38,243)	(626,119)	-
Total Bonds Payable	<u>38,860,765</u>	<u>6,660,938</u>	<u>10,868,175</u>	<u>34,653,528</u>	
Note Payable - Zions	302,745	-	302,745	-	-
Notes Payable	147,953	-	46,985	100,968	49,335
Capital Leases	499,980	-	220,450	279,530	89,736
Compensated Absences	1,210,931	492,591	134,233	1,569,289	878,820
Claims and Judgments	291,945	204,687	117,965	378,667	378,667
Total Governmental Long-Term Obligations	<u>41,314,319</u>	<u>7,358,216</u>	<u>11,690,553</u>	<u>36,981,982</u>	<u>3,456,558</u>
Business-Type Activities:					
Bonds Payable:					
2003 Water Revenue Bond	2,935,000	-	925,000	2,010,000	925,000
2007 Water Revenue Refunding Bond	21,125,000	-	425,000	20,700,000	425,000
Refunding Municipal Building Bond	5,540,000	-	210,000	5,330,000	210,000
2009 Water Revenue Bond	9,050,000	-	550,000	8,500,000	550,000
Unamortized Bond Premium	998,508	-	97,684	900,824	-
Less: Deferred Amount on Refunding	(755,279)	-	(59,696)	(695,583)	-
Total Bonds Payable	<u>38,893,229</u>	<u>-</u>	<u>2,147,988</u>	<u>36,745,241</u>	
Compensated Absences	63,964	29,529	2,234	91,259	62,448
Total Business-Type Long-Term Obligations	<u>38,957,193</u>	<u>29,529</u>	<u>2,150,222</u>	<u>36,836,500</u>	<u>2,172,448</u>
Total Government-Wide Long-Term Obligations	<u>\$ 80,271,512</u>	<u>\$ 7,387,745</u>	<u>\$ 13,840,775</u>	<u>\$ 73,818,482</u>	<u>\$ 5,629,006</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, and Fire Fighters 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, 2012

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, and Fire Fighters 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 Tier I, members are required to contribute 6.0 percent 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 percent of the member's required contribution. In addition, the City is required to contribute 9.76 percent of the member's annual covered salary. Tier I employees are those hired prior to July 1, 2011, or have previously worked at an employer in the System. The City also contributes to the Public Employees Contributory Retirement System Tier II, which covers employees hired on or after July 1, 2011, and have previously not worked at a covered employer. The City is required to contribute 12.40 percent of the member's annual covered salary. In the Public Safety Noncontributory Retirement System the City is required to contribute 27.07 percent of the member's annual covered salary. In the Fire Fighters Retirement System (Division A) Tier I, members are required to contribute 15.05 percent of their annual covered salary (all or part may be paid by the employer for the employee). The City has chosen to contribute 14.05 percent of the members required contribution. In addition, the City is required to contribute 0.50 percent of the member's annual covered salary. The contribution rates are actuarial 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 (both Tier I and II) for the years ending June 30, 2012, 2011, and 2010 were \$1,264,991, \$1,244,931, and \$1,106,527, respectively. The contributions were equal to the required contributions for each year.

For the Public Safety Noncontributory Retirement System, the contributions for June 30, 2012, 2011, and 2010 were \$638,905, \$610,729, and \$549,949, respectively, for the Fire Fighters Retirement System Tier I the contributions for June 30, 2012, 2011, and 2010, were \$345,992, \$364,932, and \$281,299, respectively, The contributions were equal to the required contributions for each year.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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.

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

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City 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 13 - REDEVELOPMENT AGENCY

The Redevelopment Agency of South Jordan City is established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2012 the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$11,237,178
Tax increment paid to other taxing agencies	4,253,776
Outstanding loans to finance RDA projects	7,972,968
Amounts expended for installation of public utilities and other public improvements	2,800
Amounts expended for administrative costs	654,611

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – TRANSFER OF SPECIAL REVENUE FUNDS

During fiscal year 2012 the City consolidated the Recreation Programs fund into the Fitness Center fund. The Recreation Programs fund was transferred to the Fitness Center fund through operating transfers.

NOTE 15 - EQUITY IN JOINT VENTURE

Trans - Jordan Cities

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

A. Ownership

In accordance with the Utah Interlocal Cooperation Act (which created Trans-Jordan), all assets revert to the participating cities upon dissolution. Participants' shares of these assets are based on each participating City's payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Members' participating interests are adjusted according to the above formula annually. As of June 30, 2012, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees & Charges for Ten Preceding Years</u>	<u>Percent</u>
Sandy City	5,828,308	30.18%
West Jordan City	4,604,019	23.84%
South Jordan City	2,440,064	12.64%
Riverton City	1,905,393	9.87%
Draper City	1,857,093	9.62%
Murray City	1,660,144	8.60%
Midvale City	1,014,188	5.25%
	<u>\$ 19,309,209</u>	<u>100.00%</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 - EQUITY IN JOINT VENTURE – (CONTINUED)

B. Management

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

C. Financial Summary

	Trans-Jordan Cities	South Jordan City's Share
Total Assets	\$ 24,370,345	\$ 3,080,412
Total Liabilities	\$ 4,836,744	\$ 611,364
 Total Equity	 \$ 19,533,601	 \$ 2,469,048
 Total Operating Revenues	 \$ 5,478,971	 \$ 692,542
Total Operating Expenses	5,611,945	709,350
Net Operating Income	(132,974)	(16,808)
Total Non-operating Income (Expense)	812,164	102,658
Net Income	\$ 679,190	\$ 85,850

D. Debt

The joint venture has the following long-term debt:

	Total Amount	South Jordan City’s Share
Closure and Post-closure Liability	\$4,425,375	\$559,367

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

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Required Supplementary Information

REQUIRED SUPPLEMENTARY
INFORMATION

CITY OF SOUTH JORDAN

General Fund

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property Tax - Current	\$ 7,446,531	\$ 7,207,000	\$ 7,311,219	\$ 104,219
Property Tax - Delinquent	200,000	200,000	312,908	112,908
Motor Vehicle Tax	560,000	600,000	621,687	21,687
Sales & Use Tax	7,964,443	8,750,000	9,047,468	297,468
Telecommunication Fee	940,000	940,000	921,270	(18,730)
Penalties & Interest	10,000	10,000	19,207	9,207
Energy Sales & Use Tax	2,550,000	2,660,000	2,793,820	133,820
Total Taxes	19,670,974	20,367,000	21,027,579	660,579
Licenses & Permits				
Building Permits	1,837,500	1,809,000	1,846,944	37,944
Business Licenses	150,000	150,000	173,328	23,328
Solid Waste License Fee	45,000	45,000	51,690	6,690
Innkeeper Fee	30,000	30,000	35,998	5,998
Miscellaneous	97,500	97,500	99,593	2,093
Total Licenses & Permits	2,160,000	2,131,500	2,207,553	76,053
Intergovernmental Revenues				
Federal Grants	59,558	138,111	154,545	16,434
State Grants	-	17,727	21,747	4,020
Class "C" Road Allotment	1,649,995	1,675,000	1,689,631	14,631
Liquor Fund Allotment	35,000	35,000	42,924	7,924
Total Intergovernmental	1,744,553	1,865,838	1,908,847	43,009
Charges for Services				
Ambulance Fees	507,434	576,744	837,971	261,227
Engineering Fees	175,000	175,000	107,856	(67,144)
Plan Check Fees	500,000	471,965	420,762	(51,203)
Zoning & Subdivision Fees	75,000	75,000	95,924	20,924
General Public Sanitation	190,000	190,000	218,137	28,137
Other Services	3,079,118	3,221,918	3,483,143	261,225
Total Charges for Services	4,526,552	4,710,627	5,163,793	453,166
Fines and Forfeitures				
	900,000	850,000	827,665	(22,335)
Misc Revenue				
Investment Earnings	200,000	115,000	162,151	47,151
Sundry Revenue	126,222	1,185,608	1,168,117	(17,491)
Total Misc Revenue	326,222	1,300,608	1,330,268	29,660
Total Revenue	29,328,301	31,225,573	32,465,705	1,240,132

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
EXPENDITURES				
General Government				
General Administration	\$ 3,011,248	\$ 2,633,070	\$ 2,406,605	\$ 226,465
Finance	865,516	818,948	807,606	11,342
Legal	681,568	720,269	687,514	32,755
Business Services	1,836,263	2,123,603	2,093,881	29,722
Government Services	2,369,932	2,239,077	2,090,962	148,115
Total General Government	<u>8,764,527</u>	<u>8,534,967</u>	<u>8,086,568</u>	<u>448,399</u>
Community Development				
Administration	126,048	122,048	115,653	6,395
Planning	428,218	438,318	437,203	1,115
Building	896,784	914,984	902,214	12,770
Engineering	1,566,367	1,607,174	1,592,599	14,575
Total Community Development	<u>3,017,417</u>	<u>3,082,524</u>	<u>3,047,669</u>	<u>34,855</u>
Public Works				
Administration	554,804	802,804	784,064	18,740
Fleet	580,374	588,074	593,319	(5,245)
Streets and Roads	2,317,482	2,269,582	2,142,495	127,087
Total Public Works	<u>3,452,660</u>	<u>3,660,460</u>	<u>3,519,878</u>	<u>140,582</u>
Public Safety				
Police	5,484,459	5,599,663	5,469,517	130,146
Fire	4,251,534	4,419,044	4,428,717	(9,673)
Total Public Safety	<u>9,735,993</u>	<u>10,018,707</u>	<u>9,898,234</u>	<u>120,473</u>
Parks and Recreation				
Parks	1,644,503	1,610,003	1,597,458	12,545
Recreation	796,750	509,135	486,415	22,720
Total Parks and Recreation	<u>2,441,253</u>	<u>2,119,138</u>	<u>2,083,873</u>	<u>35,265</u>
Total Expenditures	<u>27,411,850</u>	<u>27,415,796</u>	<u>26,636,222</u>	<u>779,574</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>1,916,451</u>	<u>3,809,777</u>	<u>5,829,483</u>	<u>2,019,706</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	16,818	373,193	372,569	(624)
Transfers Out	(1,796,787)	(1,758,706)	(6,308,142)	(4,549,436)
Sale of Capital Assets	-	-	34,000	34,000
Total Other Financing Sources (Uses)	<u>(1,779,969)</u>	<u>(1,385,513)</u>	<u>(5,901,573)</u>	<u>(4,516,060)</u>
Net Change in Fund Balance	136,482	2,424,264	(72,090)	(2,496,354)
Fund Balance - July 1	5,301,060	5,301,060	5,301,060	-
Fund Balance - June 30	<u>\$ 5,437,542</u>	<u>\$ 7,725,324</u>	<u>\$ 5,228,970</u>	<u>\$ (2,496,354)</u>

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 9,006,741	\$ 11,237,178	\$ 11,237,178	\$ -
Interest	-	-	123,176	123,176
Total Revenue	<u>9,006,741</u>	<u>11,237,178</u>	<u>11,360,354</u>	<u>123,176</u>
EXPENDITURES				
General Government	535,584	707,274	654,611	52,663
Capital Outlay & Projects	130,114	184,849	2,800	182,049
Tax Increment Distributions	5,362,009	8,585,499	4,253,776	4,331,723
Debt Service				
Principal Retirement	809,000	844,000	844,000	-
Interest and Fees	421,125	386,125	385,068	1,057
Total Expenditures	<u>7,257,832</u>	<u>10,707,747</u>	<u>6,140,255</u>	<u>4,567,492</u>
Excess (Deficiency) of revenues Over Expenditures	<u>1,748,909</u>	<u>529,431</u>	<u>5,220,099</u>	<u>4,690,668</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,740,778)	(1,842,009)	(1,842,009)	-
Total Other Financing Sources (Uses)	<u>(1,740,778)</u>	<u>(1,842,009)</u>	<u>(1,842,009)</u>	<u>-</u>
Net Change in Fund Balance	8,131	(1,312,578)	3,378,090	4,690,668
Fund Balance - July 1	6,779,904	6,779,904	6,779,904	-
Fund Balance - June 30	<u>\$ 6,788,035</u>	<u>\$ 5,467,326</u>	<u>\$ 10,157,994</u>	<u>\$ 4,690,668</u>

See Accompanying Notes

CITY OF SOUTH JORDAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

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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Supplementary Information

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. During fiscal year 2012 the Recreation Programs fund was combined with the Fitness Center fund through operating transfers.

- 1) **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.
- 2) **Recreation Programs** – This fund is used to track revenue and expenditures dealing with the City’s sports and recreation programs.
- 2) **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.
- 3) **Fitness Center Fund** – This fund is used to account for fees charged to users and expenditures dealing with maintenance of the facility.

Debt Service Fund

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

- 1) **Municipal Building Authority (MBA)** – This fund is used to account for the construction of capital facilities of the City.

Permanent Fund

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

- 1) **Cemetery Perpetual Care Fund** – This fund is used to account for the 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, 2012

	Special Revenue				Debt Service		Permanent	Total
	Storm Drain	Recreation	CDBG	Fitness Center	MBA	Cemetery		
ASSETS								
Cash & Cash Equivalents	\$ 1,432,303	\$ -	\$ -	\$ 971,212	\$ 175,182	\$ 592,144	\$ -	\$ 3,170,841
Restricted Cash & Cash Equivalents	-	-	-	-	529,694	-	-	529,694
Receivables								
Accounts	265,618	-	47,400	10,083	-	-	-	323,101
Due From Other Funds	-	-	-	47,400	-	-	-	47,400
Total Assets	\$ 1,697,921	\$ -	\$ 47,400	\$ 1,028,695	\$ 704,876	\$ 592,144	\$ -	\$ 4,071,036
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable and Accrued Liabilities	\$ 92,379	\$ -	\$ -	\$ 91,342	\$ -	\$ -	\$ -	\$ 183,721
Due to Other Funds	-	-	47,400	-	-	-	-	47,400
Total Liabilities	92,379	-	47,400	91,342	-	-	-	231,121
FUND BALANCES								
Restricted Fund Balance								
Construction Projects	-	-	-	-	529,694	-	-	529,694
Committed Fund Balance								
Perpetual Care	-	-	-	-	-	395,500	-	395,500
Assigned Fund Balance								
Storm Drain Projects	1,605,542	-	-	-	-	-	-	1,605,542
Fitness Center Projects	-	-	-	937,353	-	-	-	937,353
MBA	-	-	-	-	175,182	-	-	175,182
Perpetual Care	-	-	-	-	-	196,644	-	196,644
Total Fund Balances	1,605,542	-	-	937,353	704,876	592,144	-	3,839,915
Total Liabilities and Fund Balances	\$ 1,697,921	\$ -	\$ 47,400	\$ 1,028,695	\$ 704,876	\$ 592,144	\$ -	\$ 4,071,036

CITY OF SOUTH JORDAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2012

	Special Revenue			Debt Service		Permanent		Total
	Storm Drain	Recreation	CDBG	Fitness Center	MBA	Cemetery		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 47,400	\$ -	\$ -	\$ -	\$ -	\$ 47,400
Charges for Services	2,105,806	-	-	1,705,707	-	38,355	-	3,849,868
Interest	15,335	-	-	-	2,161	7,376	-	24,872
Other Revenue	3,082	-	-	-	-	-	-	3,082
Total Revenues	2,124,223	-	47,400	1,705,707	2,161	45,731	-	3,925,222
EXPENDITURES								
Current								
General Government	-	-	-	1,551,362	-	-	-	1,551,362
Public Works	830,097	-	-	-	-	-	-	830,097
Debt Service	-	-	-	-	400,000	-	-	400,000
Principal	-	-	-	-	166,351	-	-	166,351
Interest and Fees	-	-	-	-	130,652	-	-	130,652
Bond Issuance Cost	-	-	-	-	-	-	-	-
Capital Outlay & Projects	183,845	-	47,400	290,875	-	-	-	522,120
Total Expenditures	1,013,942	-	47,400	1,842,237	697,003	-	-	3,600,582
Excess (Deficiency) of Revenues over Expenditures	1,110,281	-	-	(136,530)	(694,842)	45,731	-	324,640
Other Financing Sources (Uses)								
Bond Proceeds	-	-	-	-	6,880,000	-	-	6,880,000
Bond Premium	-	-	-	-	94,714	-	-	94,714
Payment to Refunded Bond Escrow Agent	-	-	-	-	(6,838,782)	-	-	(6,838,782)
Transfers In	-	-	-	692,910	712,703	-	-	1,405,613
Transfers Out	(158,936)	(221,000)	-	(949)	(390,920)	(7,376)	-	(779,181)
Total Other Financing Sources (Uses)	(158,936)	(221,000)	-	691,961	457,715	(7,376)	-	762,364
Net Change in Fund Balance	951,345	(221,000)	-	555,431	(237,127)	38,355	-	1,087,004
Fund Balances - July 1	654,197	221,000	-	381,922	942,003	553,789	-	2,752,911
Fund Balances - June 30	\$ 1,605,542	\$ -	\$ -	\$ 937,353	\$ 704,876	\$ 592,144	\$ -	\$ 3,839,915

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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Special Assessments	\$ 726,990	\$ 726,990	\$ 721,697	\$ (5,293)
Interest	8,251	8,251	21,055	12,804
Miscellaneous	149,230	149,230	149,005	(225)
Total Revenue	<u>884,471</u>	<u>884,471</u>	<u>891,757</u>	<u>7,286</u>
EXPENDITURES				
General Government	21,350	21,350	21,350	-
Debt Service				
Principal	1,905,053	1,905,053	3,568,188	(1,663,135)
Interest and Fees	1,035,541	1,035,541	1,016,718	18,823
Total Expenditures	<u>2,961,944</u>	<u>2,961,944</u>	<u>4,606,256</u>	<u>(1,644,312)</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(2,077,473)</u>	<u>(2,077,473)</u>	<u>(3,714,499)</u>	<u>(1,637,026)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	2,077,473	2,077,473	3,721,784	1,644,311
Total Other Financing Sources (Uses)	<u>2,077,473</u>	<u>2,077,473</u>	<u>3,721,784</u>	<u>1,644,311</u>
Net Change in Fund Balance	-	-	7,285	7,285
Fund Balance - July 1	1,037,655	1,037,655	1,037,655	-
Fund Balance - June 30	<u>\$ 1,037,655</u>	<u>\$ 1,037,655</u>	<u>\$ 1,044,940</u>	<u>\$ 7,285</u>

CITY OF SOUTH JORDAN

Construction

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 117,801	\$ 117,801	\$ -
Interest	-	-	49,043	49,043
Impact Fees	-	-	2,340,293	2,340,293
Miscellaneous	-	757,693	852,330	94,637
Total Revenue	<u>-</u>	<u>875,494</u>	<u>3,359,467</u>	<u>2,483,973</u>
EXPENDITURES				
Capital Outlay				
Road and Bridge	-	3,118,092	2,403,130	714,962
Parks	-	686,704	599,984	86,720
Storm Drain	-	245,293	48,590	196,703
Facilities	-	159,000	134,335	24,665
Other Projects	261,463	1,462,330	1,114,357	347,973
Total Expenditures	<u>261,463</u>	<u>5,671,419</u>	<u>4,300,396</u>	<u>1,371,023</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(261,463)</u>	<u>(4,795,925)</u>	<u>(940,929)</u>	<u>3,854,996</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	188,890	44,122	(144,768)
Transfers In	801,730	969,644	3,874,769	2,905,125
Transfers Out	(489,504)	(489,504)	(489,504)	-
Total Other Financing Sources (Uses)	<u>312,226</u>	<u>669,030</u>	<u>3,429,387</u>	<u>2,760,357</u>
Net Change in Fund Balance	50,763	(4,126,895)	2,488,458	6,615,353
Fund Balance - July 1	10,697,578	10,697,578	10,697,578	-
Fund Balance - June 30	<u>\$ 10,748,341</u>	<u>\$ 6,570,683</u>	<u>\$ 13,186,036</u>	<u>\$ 6,615,353</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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 2,009,154	\$ 2,009,154	\$ 2,105,806	\$ 96,652
Interest	-	-	15,335	15,335
Miscellaneous	-	-	3,082	3,082
Total Revenue	<u>2,009,154</u>	<u>2,009,154</u>	<u>2,124,223</u>	<u>115,069</u>
EXPENDITURES				
Public Works	905,160	880,160	830,097	50,063
Capital Outlay	602,842	627,842	183,845	443,997
Total Expenditures	<u>1,508,002</u>	<u>1,508,002</u>	<u>1,013,942</u>	<u>494,060</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>501,152</u>	<u>501,152</u>	<u>1,110,281</u>	<u>609,129</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(2,941)</u>	<u>(158,936)</u>	<u>(158,936)</u>	-
Total Other Financing Sources (Uses)	<u>(2,941)</u>	<u>(158,936)</u>	<u>(158,936)</u>	-
Net Change in Fund Balance	498,211	342,216	951,345	609,129
Fund Balance - July 1	654,197	654,197	654,197	-
Fund Balance - June 30	<u>\$ 1,152,408</u>	<u>\$ 996,413</u>	<u>\$ 1,605,542</u>	<u>\$ 609,129</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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 196,035	\$ -	\$ -	\$ -
Total Revenue	<u>196,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General Government	196,035	-	-	-
Total Expenditures	<u>196,035</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	-	-	(221,000)	(221,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(221,000)</u>	<u>(221,000)</u>
Net Change in Fund Balance	-	-	(221,000)	(221,000)
Fund Balance - July 1	221,000	221,000	221,000	-
Fund Balance - June 30	<u>\$ 221,000</u>	<u>\$ 221,000</u>	<u>\$ -</u>	<u>\$ (221,000)</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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ 52,000	\$ 52,000	\$ 47,400	\$ (4,600)
Total Revenue	<u>52,000</u>	<u>52,000</u>	<u>47,400</u>	<u>(4,600)</u>
EXPENDITURES				
General Government	3,150	3,150	-	3,150
Capital Outlay	48,850	48,850	47,400	1,450
Total Expenditures	<u>52,000</u>	<u>52,000</u>	<u>47,400</u>	<u>4,600</u>
Excess (Deficiency) of Revenues Over Expenditures	<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

Fitness Center

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

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 1,246,000	\$ 1,607,991	\$ 1,705,707	\$ 97,716
Total Revenue	<u>1,246,000</u>	<u>1,607,991</u>	<u>1,705,707</u>	<u>97,716</u>
EXPENDITURES				
General Government	1,375,790	1,604,225	1,551,362	52,863
Capital Outlay	49,261	440,628	290,875	149,753
Total Expenditures	<u>1,425,051</u>	<u>2,044,853</u>	<u>1,842,237</u>	<u>202,616</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(179,051)</u>	<u>(436,862)</u>	<u>(136,530)</u>	<u>300,332</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	180,000	471,911	692,910	220,999
Transfers Out	(949)	(949)	(949)	-
Total Other Financing Sources (Uses)	<u>179,051</u>	<u>470,962</u>	<u>691,961</u>	<u>220,999</u>
Net Change in Fund Balance	-	34,100	555,431	521,331
Fund Balance - July 1	<u>381,922</u>	<u>381,922</u>	<u>381,922</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 381,922</u>	<u>\$ 416,022</u>	<u>\$ 937,353</u>	<u>\$ 521,331</u>

CITY OF SOUTH JORDAN
Municipal Building Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 1,750	\$ 1,750	\$ 2,161	\$ 411
Total Revenue	<u>1,750</u>	<u>1,750</u>	<u>2,161</u>	<u>411</u>
EXPENDITURES				
Debt Service				
Principal	400,000	400,000	400,000	-
Interest and Fees	326,453	314,453	166,351	148,102
Bond Issuance Costs	-	135,932	130,652	5,280
Total Expenditures	<u>726,453</u>	<u>850,385</u>	<u>697,003</u>	<u>153,382</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(724,703)</u>	<u>(848,635)</u>	<u>(694,842)</u>	<u>153,793</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	6,880,000	6,880,000	-
Bond Premium	-	94,714	94,714	-
Payment to Refunded Bond Escrow Agent	-	(6,838,782)	(6,838,782)	-
Transfers In	724,703	712,703	712,703	-
Transfers Out	-	(390,920)	(390,920)	-
Total Other Financing Sources (Uses)	<u>724,703</u>	<u>457,715</u>	<u>457,715</u>	<u>-</u>
Net Change in Fund Balance	-	(390,920)	(237,127)	153,793
Fund Balance - July 1	942,003	942,003	942,003	-
Fund Balance - June 30	<u>\$ 942,003</u>	<u>\$ 551,083</u>	<u>\$ 704,876</u>	<u>\$ 153,793</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, 2012

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 8,000	\$ 40,000	\$ 38,355	\$ (1,645)
Interest	-	8,000	7,376	(624)
Total Revenue	<u>8,000</u>	<u>48,000</u>	<u>45,731</u>	<u>(2,269)</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,000</u>	<u>48,000</u>	<u>45,731</u>	<u>(2,269)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(8,000)</u>	<u>(8,000)</u>	<u>(7,376)</u>	<u>624</u>
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>(7,376)</u>	<u>624</u>
Net Change in Fund Balance	-	40,000	38,355	(1,645)
Fund Balance - July 1	<u>553,789</u>	<u>553,789</u>	<u>553,789</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 553,789</u>	<u>\$ 593,789</u>	<u>\$ 592,144</u>	<u>\$ (1,645)</u>



Capital Assets Used in the Operation of Governmental Funds

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
For the Year Ended June 30, 2012

	<u>2011</u>	<u>2012</u>
General Capital Assets		
Land	\$ 58,069,728	\$ 58,086,228
Right of Way	6,425,785	8,216,956
Buildings and Structures	28,325,643	28,166,643
Improvements Other than Buildings and Structures	26,001,013	27,673,103
Machinery and Equipment	12,992,308	13,893,774
Infrastructure	155,470,363	164,158,764
Construction in Progress	8,596,760	3,744,413
	<u> </u>	<u> </u>
Total Governmental Funds Capital Assets	<u>\$ 295,881,600</u>	<u>\$ 303,939,881</u>
Investment in Capital Assets		
General Fund	\$ 250,039,580	\$ 254,296,781
Capital Projects Fund	43,737,017	47,535,297
Redevelopment Agency Fund	2,105,003	2,107,803
	<u> </u>	<u> </u>
Total Investment in Capital Assets	<u>\$ 295,881,600</u>	<u>\$ 303,939,881</u>

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Year Ended June 30, 2012

Function and Activity	Land	ROW	Improvements			Machinery and Equipment	Infrastructure	Construction in Progress	Total
			Building and Structure	Other Than Building and Structure					
General Government									
Administration/Gen Gov.	\$ 7,292,374	\$ -	\$ 10,593,331	\$ 2,425,168	\$ 2,844,327	\$ 110,438	\$ 426,410	\$ 23,692,048	
Building and Planning	-	-	182,816	16,926	114,210	-	-	313,952	
Engineering	-	-	-	-	95,488	-	-	95,488	
Fleet Management	-	-	-	-	575,750	-	-	575,750	
Total General Government	7,292,374	-	10,776,147	2,442,094	3,629,775	110,438	426,410	24,677,238	
Public Safety									
Police Protection	703,250	-	1,552,535	9,335	2,170,843	-	254,865	4,690,828	
Fire Protection	113,731	-	1,481,795	158,061	2,762,746	-	161,865	4,678,198	
Total Public Safety	816,981	-	3,034,330	167,396	4,933,589	-	416,730	9,369,026	
Public Works									
Streets and Roads	44,935,845	8,216,956	72,749	12,699,717	2,423,223	139,563,899	2,468,129	210,380,518	
Storm Drain	-	-	-	829,864	1,116,769	21,564,400	79,408	23,590,441	
MS Operations	-	-	3,680,548	-	193,802	-	-	3,874,350	
Total Public Works	44,935,845	8,216,956	3,753,297	13,529,581	3,733,794	161,128,299	2,547,537	237,845,309	
Parks and Public Property									
Parks	3,896,490	-	315,256	9,508,906	1,090,005	2,849,078	353,736	18,013,471	
Cemetery	17,995	-	2,362	117,234	-	-	-	137,591	
Recreation	-	-	10,285,251	424,341	491,111	70,949	-	11,271,652	
Total Parks & Public Property	3,914,485	-	10,602,869	10,050,481	1,581,116	2,920,027	353,736	29,422,714	
Museum									
Museum	-	-	-	1,384,453	-	-	-	1,384,453	
Redevelopment Agency									
Redevelopment Agency	1,126,543	-	-	99,098	15,500	-	-	1,241,141	
Total General Capital Assets	\$ 58,086,228	\$ 8,216,956	\$ 28,166,643	\$ 27,673,103	\$ 13,893,774	\$ 164,158,764	\$ 3,744,413	\$ 303,939,881	

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended June 30, 2012

<u>Function and Activity</u>	General Capital Assets			
	July 1, 2011	Additions	Deletions	June 30, 2012
General Government				
Administration/Gen Gov	\$ 23,561,451	\$ 332,091	\$201,495	\$ 23,692,047
Building and Planning	327,592	-	13,640	313,952
Engineering	95,488	-	-	95,488
Fleet Management	659,396	-	83,647	575,749
Total General Government	24,643,927	332,091	298,782	24,677,236
Public Safety				
Police Protection	4,526,549	184,581	20,302	4,690,828
Fire Protection	4,542,035	168,661	32,498	4,678,198
Total Public Safety	9,068,584	353,242	52,800	9,369,026
Public Works				
Streets and Roads	205,121,923	5,285,495	26,900	210,380,518
Storm Drain	21,613,501	1,976,941	-	23,590,442
MS Ops	3,874,350	-	-	3,874,350
Total Public Works	230,609,774	7,262,436	26,900	237,845,310
Parks and Public Property				
Parks	17,785,357	261,465	33,351	18,013,471
Cemetery	137,591	-	-	137,591
Recreation	11,010,773	265,880	5,000	11,271,653
Total Parks & Public Property	28,933,721	527,345	38,351	29,422,715
Museum	1,384,453	-	-	1,384,453
Redevelopment Agency	1,241,141	-	-	1,241,141
Total General Capital Assets	\$ 295,881,600	\$ 8,475,114	\$ 416,833	\$ 303,939,881



Statistical Section

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.

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

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

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

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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 Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 182,191,448	\$ 184,928,098	\$ 190,401,077
Restricted	7,371,459	5,526,916	5,171,176	5,546,107	6,817,249	5,287,778	5,750,547	5,778,082	6,487,565
Unrestricted	19,984,755	19,746,624	23,783,914	32,840,701	19,494,046	16,724,471	20,322,043	24,171,676	28,635,854
Total Government Activities Net Assets	92,696,364	104,530,180	135,716,823	167,053,923	190,944,731	195,301,050	208,264,038	214,877,856	225,524,496
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	80,535,829	81,720,057	82,158,412
Restricted	1,843,649	4,189,093	5,019,969	4,508,398	4,188,003	5,357,126	5,357,073	5,357,073	4,686,192
Unrestricted	4,806,759	3,526,093	7,059,861	8,844,455	11,166,135	18,804,780	13,719,153	15,751,066	18,536,833
Total Business-type Activities Net Assets	41,821,223	48,674,744	62,251,269	75,243,024	81,771,733	89,988,310	99,612,055	102,828,196	105,381,437
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	262,727,277	266,648,155	272,559,489
Restricted	9,215,108	9,716,009	10,191,145	10,054,505	11,005,252	10,644,904	11,107,620	11,135,155	11,173,757
Unrestricted	24,791,514	23,272,717	30,843,775	41,685,156	30,660,181	35,529,251	34,041,196	39,922,742	47,172,687
Total Primary Government Net Assets	\$ 134,517,587	\$ 153,204,924	\$ 197,968,092	\$ 242,296,947	\$ 272,716,464	\$ 285,289,360	\$ 307,876,093	\$ 317,706,052	\$ 330,905,933

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 Nine Fiscal Years
 (accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental Activities:									
General Government	\$ 6,935,629	\$ 5,862,625	\$ 4,122,258	\$ 7,719,415	\$ 12,496,178	\$ 25,539,947	\$ 13,768,295	\$ 12,172,636	\$ 15,715,909
Community Development	6,026,263	6,829,037	8,829,267	3,071,596	4,307,929	2,666,063	2,790,912	2,995,757	3,137,078
Public Works	4,943,240	6,460,953	7,736,325	14,432,464	8,152,171	8,784,355	9,395,877	10,556,329	10,680,313
Public Safety	-	-	-	-	9,085,813	9,977,739	10,344,486	10,247,065	10,593,261
Parks & Recreation	-	-	-	-	2,797,002	2,482,574	2,758,666	3,004,123	3,194,554
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	1,962,277	1,792,390	1,469,003
Total Governmental Activities Expense	21,291,749	25,556,498	28,210,951	32,634,106	38,203,360	51,328,473	41,020,513	40,768,300	44,790,118
Business-type Activities									
Water	6,586,729	7,530,798	8,304,493	9,635,759	11,634,967	12,039,188	13,290,483	13,274,169	14,652,778
Sanitation	1,306,726	1,226,513	1,462,979	1,676,313	1,929,607	1,941,646	2,223,915	2,255,978	2,753,324
Mulligans	-	1,151,761	1,548,939	1,285,024	1,273,851	1,228,199	1,163,002	1,152,612	1,116,345
Total Business-type Activities Expense	7,893,455	9,909,072	11,316,411	12,597,096	14,838,425	15,209,033	16,677,400	16,682,759	18,522,447
Total Primary Government Expenses	29,185,204	35,465,570	39,527,362	45,231,202	53,041,785	66,537,506	57,697,913	57,451,059	63,312,565
Program Revenues									
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	10,797,411	8,413,802	10,023,023
Community Development	-	-	-	-	4,940,046	2,626,351	2,287,428	2,203,018	2,207,553
Public Works	2,545,979	3,337,655	11,066,549	9,302,633	3,808,582	3,434,446	1,570,106	1,504,460	2,340,293
Public Safety	1,831,151	2,096,760	2,356,987	328,651	906,824	558,538	418,644	-	-
Parks & Recreation	-	-	-	-	2,287,865	2,47,646	52,655	922,630	2,142,558
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	1,854,699	2,245,987	2,104,024
Capital Grants and Contributions	6,483,571	8,865,370	23,874,290	27,178,129	20,049,268	16,470,876	11,616,590	2,845,815	4,130,047
Total Governmental Activities Programs Revenues	20,162,470	25,867,084	43,598,317	45,263,432	38,074,227	30,898,948	28,597,533	18,135,712	22,947,498
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	13,606,735	15,198,823	15,457,540
Sanitation	1,306,726	1,947,040	2,041,235	2,409,651	2,446,905	2,270,385	2,590,014	2,631,313	2,782,767
Mulligans	-	1,103,493	1,196,809	1,312,393	1,246,377	1,232,693	1,253,843	1,150,831	1,343,934
Capital Grants and Contributions	2,392,023	4,037,365	5,767,243	8,541,823	4,272,734	5,937,377	8,824,471	764,448	1,437,347
Total Business-type Activities Program Revenues	12,859,123	17,089,595	21,323,382	24,813,557	22,427,896	23,501,980	26,275,063	19,745,415	21,021,588
Total Primary Government Program Revenues	33,021,593	42,956,679	64,921,699	70,076,989	60,502,123	54,400,928	54,872,596	37,881,127	43,969,086

CITY OF SOUTH JORDAN
Changes in Net Assets (continued)
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue									
Governmental Activities	92,696,564	310,586	15,387,566	12,629,326	(129,132)	(20,448,637)	(12,422,980)	(22,632,588)	(21,842,620)
Business-type Activities	41,821,223	7,180,523	10,006,971	12,216,461	7,589,471	8,292,947	9,597,663	3,062,656	2,499,141
Total Primary Government Net Expense	134,517,587	7,491,109	25,394,537	24,845,787	7,460,339	(12,155,690)	(2,825,317)	(19,569,932)	(19,343,479)
General Revenues and Other Changes in Net Assets									
Governmental Activities:									
Taxes									
Property Taxes	5,339,574	6,063,532	7,428,694	8,900,328	11,456,293	13,403,866	14,238,268	17,254,088	20,241,346
Sales Taxes	3,255,045	3,658,972	4,926,279	6,481,322	7,174,379	7,363,412	7,470,026	8,301,690	9,047,468
Energy Sales and Use Tax	1,434,575	1,431,090	1,853,968	1,824,497	2,260,516	2,363,720	2,520,564	2,771,527	2,793,820
Other Taxes	187,952	565,185	753,042	877,001	843,014	918,708	937,852	872,976	19,207
Gain (Loss) on Disposition of Capital Assets	759,303	(867,929)	3,784,498	11,125	229,846	173,197	47,843	-	51,222
Investment Earnings	50,875	250,460	419,040	1,174,925	995,130	505,683	175,085	199,610	380,297
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	(3,470)	(153,485)	(44,100)
Total Governmental Activities	11,354,687	11,523,230	15,799,277	18,707,774	24,019,940	24,804,956	25,385,968	29,246,406	32,489,260
Business-type Activities:									
Gain (Loss) on Disposal of Capital Assets	-	6,440	-	(236,326)	-	-	22,612	-	10,000
Investment Earnings	8,422	23,270	-	-	-	-	-	-	-
Transfers	(257,746)	(356,712)	3,569,554	1,011,620	(1,060,762)	(76,370)	3,470	153,485	44,100
Total Business-type Activities	(249,324)	(327,002)	3,569,554	775,294	(1,060,762)	(76,370)	26,082	153,485	54,100
Total Primary Government	11,105,363	11,196,228	19,368,831	19,483,068	22,959,178	24,728,586	25,412,050	29,399,891	32,543,360
Change in Net Assets									
Governmental Activities	10,225,408	11,833,816	31,186,643	31,337,100	23,890,808	4,356,319	12,962,988	6,613,818	10,646,640
Business-type Activities	5,315,939	6,853,521	13,576,525	12,991,755	6,528,709	8,216,577	9,623,745	3,216,141	2,553,241
Total Primary Government	\$ 15,541,347	\$ 18,687,337	\$ 44,763,168	\$ 44,328,855	\$ 30,419,517	\$ 12,572,896	\$ 22,586,733	\$ 9,829,959	\$ 13,199,881

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable	\$ 400,357	\$ 272,704	\$ 144,456	\$ 23,728	\$ 19,159	\$ 21,901	\$ 10,612	\$ 10,993	\$ 21,408	\$ 26,239
Restricted	-	-	59,706	-	-	-	-	-	-	14,164
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	3,396,598	3,157,492	3,192,878	3,866,240	4,566,731	5,185,683	5,213,666	5,221,309	5,279,652	5,188,567
Total General Fund	\$ 3,796,955	\$ 3,430,196	\$ 3,397,040	\$ 3,889,968	\$ 4,585,890	\$ 5,207,584	\$ 5,224,278	\$ 5,232,302	\$ 5,301,060	\$ 5,228,970
All Other Governmental Funds										
Nonspendable	\$ 125,416	\$ 119,703	\$ 113,991	\$ 159,265	\$ 250,910	\$ 96,857	\$ 116,328	\$ 96,857	\$ 96,857	\$ 134,313
Restricted	5,998,973	6,973,633	5,098,313	4,725,089	5,074,875	6,328,860	4,765,105	5,222,316	5,224,294	5,881,257
Committed	250,314	257,816	270,708	289,991	313,629	313,629	336,903	358,253	383,801	395,500
Assigned	8,940,781	9,096,012	9,693,482	12,501,865	14,683,263	9,177,131	11,687,422	10,465,979	15,563,096	21,817,815
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 15,315,484	\$ 16,447,164	\$ 15,176,494	\$ 17,676,210	\$ 20,322,677	\$ 15,916,477	\$ 16,905,758	\$ 16,143,405	\$ 21,268,048	\$ 28,228,885

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 9,159,474	\$ 10,240,605	\$ 11,623,773	\$ 14,960,684	\$ 18,187,553	\$ 21,604,249	\$ 23,738,906	\$ 25,158,343	\$ 29,220,387	\$ 32,264,757
Licenses & Permits	1,348,514	1,790,661	2,948,658	3,763,459	3,716,134	2,974,174	1,829,604	2,287,428	2,203,018	2,207,553
Intergovernmental	1,283,684	1,717,710	2,230,984	2,182,529	2,273,037	2,040,569	2,239,959	1,966,229	2,245,987	2,104,024
Charges for Services	3,859,494	3,216,295	4,767,544	5,950,844	7,073,069	7,332,800	6,533,932	6,999,950	7,327,252	9,013,661
Fines & Forfeitures	1,006,452	987,405	1,189,595	1,260,350	1,089,849	1,009,544	1,001,232	1,043,493	885,487	827,665
Special Assessments	-	794,799	926,733	710,771	799,031	785,888	711,536	716,910	721,063	721,697
Interest	348,757	285,586	469,847	756,130	1,174,925	995,130	505,683	175,085	199,615	380,297
Impact fees	4,199,003	5,094,036	5,333,222	5,831,054	4,256,057	2,463,789	1,572,054	2,253,364	1,504,460	2,340,293
Miscellaneous	1,319,829	707,696	377,533	942,584	1,598,226	1,904,251	1,024,621	2,214,569	922,626	2,142,558
Total Revenues	22,525,207	24,834,793	29,867,889	36,358,405	40,167,881	41,110,394	39,157,527	42,815,371	45,229,895	52,002,505
Expenditures										
General Government	6,429,812	5,266,202	3,946,900	2,477,432	5,683,085	9,694,127	10,868,597	9,956,496	9,876,422	10,334,377
Community Development	-	-	-	-	-	2,827,193	2,622,687	2,733,183	2,905,598	3,047,669
Public Works	1,489,770	2,093,356	2,767,976	3,992,094	8,966,517	3,200,085	3,452,789	4,267,434	4,755,483	4,410,272
Public Safety	5,233,088	5,780,900	6,619,809	8,377,726	2,832,767	8,663,160	9,248,471	9,184,918	9,498,423	9,916,399
Parks & Recreation	-	-	-	-	-	2,264,434	1,880,757	2,046,671	2,392,833	2,144,382
Finance & Admin. Services	1,052,678	1,151,439	3,233,684	4,817,357	5,233,222	2,769,047	13,696,931	2,524,699	1,959,040	4,253,776
Tax Increment Distributions	481,681	487,608	581,406	799,491	1,453,327	1,453,327	11,233,238	7,525,348	3,266,161	4,665,859
Capital Outlay	21,173,181	9,374,068	10,886,020	10,333,125	7,761,741	13,677,411	11,233,238	7,525,348	3,266,161	4,665,859
Debt Service										
Principal	1,376,320	1,743,380	6,041,894	2,471,530	2,901,694	2,030,751	3,227,438	3,414,344	3,361,174	4,812,188
Interest	1,943,735	2,053,404	2,006,799	1,742,568	1,919,083	1,812,173	1,618,274	2,024,325	1,880,074	1,568,137
Other	-	-	-	-	-	-	259,409	-	-	130,652
Total Expenditures	39,180,265	27,950,357	36,084,488	35,011,323	36,751,436	46,938,381	58,108,591	43,677,418	39,895,208	45,283,711
Excess (Deficiency) of Revenues over Expenditures	(16,655,058)	(3,115,564)	(6,216,599)	1,347,082	3,416,445	(5,827,987)	(18,951,064)	(862,047)	5,334,687	6,718,794

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Other Financing Sources (Uses)										
Issuance of Long Term Debt	\$ 21,965,493	\$ 1,880,652	\$ 1,246,924	\$ 1,333,934	\$ 10,219,500	\$ 6,380,000	\$ 19,357,000	\$ -	\$ -	\$ 6,880,000
Bond Premium	(5,840,576)	-	-	-	-	-	216,708	-	-	94,714
Interim Warrants	902,819	1,742,087	3,309,139	3,881,177	236,300	719,874	306,961	111,188	12,200	78,122
Sale of Capital Assets	-	-	-	-	(9,699,784)	(6,100,000)	-	-	-	(6,838,782)
Payment to Refunded Bonds Escrow Agent	4,964,126	3,428,827	7,792,483	11,268,143	10,512,044	10,653,602	8,036,191	7,674,394	8,565,411	9,374,735
Transfers In	(4,577,780)	(3,171,081)	(7,435,771)	(14,837,697)	(11,359,269)	(9,592,839)	(7,959,821)	(7,677,864)	(8,718,896)	(9,418,836)
Transfers Out										
Total Other Financing Sources (Uses)	17,414,082	3,880,485	4,912,775	1,645,557	(91,209)	2,060,637	19,957,039	107,718	(141,285)	169,953
Net Change in Fund Balances	\$ 759,024	\$ 764,921	\$ (1,303,824)	\$ 2,992,639	\$ 3,325,236	\$ (3,767,350)	\$ 1,005,975	\$ (754,329)	\$ 5,193,402	\$ 6,888,747
Debt Service as a Percentage of Noncapital Expenditures	18%	20%	32%	17%	17%	12%	10%	15%	14%	16%

CITY OF SOUTH JORDAN

Assessed Value and Estimate Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Assessed Value			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
	Residential Property	Commerical Property	Industrial Property	Property	Property				
2003	\$ 1,343,379,323	\$ 141,408,350	\$ 1,979,717	\$ 72,683,892	\$ 1,414,083,498	1.93	\$ 2,271,620,077	62.25	
2004	1,385,723,151	230,953,859	2,155,569	79,140,189	1,539,692,390	1.87	2,387,119,984	64.50	
2005	1,553,149,212	258,858,202	2,416,010	88,702,077	1,725,721,347	2.21	2,675,536,972	64.50	
2006	1,750,626,962	291,771,160	2,723,197	99,980,251	1,945,141,069	1.87	3,015,722,587	64.50	
2007	2,258,377,822	423,682,386	4,642,382	90,866,013	2,595,836,577	1.71	4,024,552,833	64.50	
2008	3,181,686,071	596,899,390	6,540,360	128,015,395	3,657,110,427	1.70	5,669,938,647	64.50	
2009	3,723,517,796	698,549,591	7,654,164	149,816,038	4,279,905,513	2.03	6,635,512,423	64.50	
2010	3,337,142,726	626,063,796	6,859,921	134,270,206	3,835,796,237	2.07	5,946,970,910	64.50	
2011	3,466,518,714	538,233,438	99,688,053	2,051,195	4,102,389,011	2.33	6,360,293,040	64.50	
2012	3,392,943,910	526,809,753	97,572,233	2,007,659	4,015,318,237	2.38	6,130,256,850	65.50	

Source: Utah State Tax Commission - Property Tax Division

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

Fiscal Year	City Direct Rates			Overlapping Rates									
	Basic Rates	Total Direct Rate	Jordan School District	Salt Lake Library	Salt Lake County	Salt Lake Mosquito Abatement	Central Utah Water Conservancy District	Sandy Suburban	South Valley Sewer	Jordan Valley Water Conservancy District	Crescent Cemetery		
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		
2010	2.07	2.07	6.49	0.58	2.59	0.05	0.42	0.94	0.37	0.41	0.05		
2011	2.33	2.33	7.32	0.60	2.70	0.05	0.44	0.97	0.40	0.42	0.05		
2012	2.38	2.38	7.36	0.63	2.79	0.02	0.46	1.03	0.41	0.44	0.05		

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

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Riverpark LLC	\$ 224,875,700	1	5.60%			
Kennecott	142,903,370	2	3.56%			
District South LC	124,592,000	3	3.10%			
Merit Medical Systems Inc.	72,826,875	4	1.81%			
Ebay	52,874,100	5	1.32%			
Wal-Mart Real Estate Business	40,909,200	6	1.02%			
San Tropez Holdings LLC	33,012,283	7	0.82%			
DM Town Center LLC	24,716,600	8	0.62%			
KFP Corporation	22,997,430	9	0.57%			
Cotland Investments LLC	20,593,920	10	0.51%			
Sterling Village, LC				\$ 30,293,733	1	1.39%
OM Enterprises				24,139,815	2	1.11%
High Uinta Investment Properties				16,732,000	3	0.77%
106th South Business Park				14,148,170	4	0.65%
DEF Properties LLC				12,084,000	5	0.55%
Legacy Plaza LLC				11,657,500	6	0.53%
E&H Investments LLC				10,760,600	7	0.49%
MM (UT) PRS				10,513,600	8	0.48%
Legacy Retirement Center LLC				9,910,300	9	0.45%
Darwin Datwyler				9,013,100	10	0.41%
Total	\$ 760,301,478		18.94%	\$ 149,252,818		6.85%

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	
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%	120,797	2,972,414	99.95%	
2005	3,226,756	3,074,510	95.28%	147,021	3,221,531	99.84%	
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%	189,061	4,321,274	100.00%	
2008	6,250,207	5,949,216	95.18%	300,923	6,250,139	100.00%	
2009	7,259,823	6,777,184	93.35%	275,876	7,053,060	97.15%	
2010	7,723,824	7,330,964	94.91%	190,947	7,521,911	97.39%	
2011	8,512,362	8,175,797	96.05%	-	8,175,797	96.05%	
2012	9,313,139	9,068,345	97.37%	-	9,068,345	97.37%	

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

CITY OF SOUTH JORDAN
Principal Sales Tax Payers
Current Year and Ten Years ago

Tax Payer*	2012			2003		
	South Jordan Direct POS	Rank	Percentage of Total Direct POS	South Jordan Direct POS	Rank	Percentage of Total Direct POS
Mining Operation	\$1,944,751	1	19.06%			
Retail/Grocery	803,739	2	7.88%			
Auto Sales	406,593	3	3.99%			
Information Technology	338,221	4	3.32%			
Retail/Grocery	332,387	5	3.26%			
Auto Sales	317,389	6	3.11%	\$ 333,250	1	21.36%
Retail/Grocery	277,435	7	2.72%			
Utility	270,834	8	2.66%			
Retail/Grocery	252,975	9	2.48%			
Auto Sales	243,824	10	2.39%	43,542	6	2.79%
Information Technology	199,600	11	1.96%			
Information Technology	197,955	12	1.94%			
Motor Vehicle	168,167	13	1.65%	100,427	4	6.44%
Retail/Grocery	161,386	14	1.58%	155,527	2	9.97%
Retail/Grocery	146,863	15	1.44%	33,448	9	2.14%
Information Technology				100,908	3	6.47%
Auto Repair				61,520	5	3.94%
Utility				41,927	7	2.69%
Home Furnishings				37,550	8	2.41%
Auto Sales				31,541	10	2.02%
Medical				23,810	11	1.53%
Restaurant				23,763	12	1.52%
Retail/Grocery				18,623	13	1.19%
Auto Repair				16,113	14	1.03%
				16,087	15	1.03%
Total	\$6,062,119		59.43%	\$1,038,036		66.55%

Source: Utah State Tax Commission

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

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
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%
2010	1.000%	1.150%	4.700%
2011	1.000%	1.150%	4.700%
2012	1.000%	1.150%	4.700%

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

CITY OF SOUTH JORDAN
Charges for Water Fees
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Water Sales	\$ 4,586,146	\$ 6,230,780	\$ 6,606,578	\$ 8,383,108	\$ 9,199,044	\$ 10,920,880	\$ 12,486,513	\$ 12,377,203	\$ 13,729,928	\$ 14,046,643
Secondary Water	365,979	632,498	616,258	647,932	647,248	616,037	624,251	658,378	674,235	718,625
Other	107,361	209,733	241,461	335,387	318,626	346,135	299,002	317,136	388,995	390,178
Totals	\$ 5,059,486	\$ 7,073,011	\$ 7,464,297	\$ 9,366,427	\$ 10,164,920	\$ 11,883,052	\$ 13,409,766	\$ 13,352,717	\$ 14,793,158	\$ 15,155,446

Source: City of South Jordan

Note: Other includes Finance charges and Water Meter Sets

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

Fiscal Year	Governmental Activities						Business-type Activities						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					
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	5.51%	1,371		
2009	7,675	685	1,842	20,845	1,094	5,266	10,300	36,610	5,940	172	90,429	7.51%	1,831		
2010	7,305	350	1,796	19,975	712	4,765	9,525	34,905	5,745	54	85,132	6.56%	1,691		
2011	6,925	-	1,806	19,075	500	4,245	8,716	33,110	5,540	64	79,981	5.65%	1,586		
2012	6,880	-	1,948	16,570	280	3,705	7,872	31,210	5,330	91	73,886	4.79%	1,371		

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, 2012

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Salt Lake County	\$ 253,860,000	5.53%	\$ 14,025,838
Jordan School District	85,962,816	26.62%	22,879,648
South Valley Sewer District	-	30.56%	-
Central Utah Water Cons. District	272,780,790	3.23%	<u>8,817,103</u>
Subtotal overlapping debt			45,722,590
City direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 45,722,590</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 2012

Assessed value	\$ 4,015,318
Debt limit (12% of assessed value)	481,838
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 481,838</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 169,690	\$ 184,763	\$ 207,087	\$ 233,417	\$ 311,500	\$ 438,853	\$ 513,589	\$ 460,296	\$ 492,287	\$ 481,838
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<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>	<u>\$ 460,296</u>	<u>\$ 492,287</u>	<u>\$ 481,838</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Salt Lake County Auditor's Office

Notes: 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	Debt Service	Sales & Use Tax	Debt Service	Debt Service	Debt Service	Debt Service	
													Principal
2003	\$ 5,060	\$ 3,901	\$ 1,159	\$ 175	\$ -	\$ -	\$ -	\$ 2,844	\$ 570	\$ 875	1.97		
2004	7,073	4,602	2,471	110	786	300	486	3,255	345	706	3.10		
2005	7,464	5,220	2,244	850	899	430	469	3,659	360	692	3.48		
2006	9,366	5,307	4,059	875	710	265	445	4,926	370	679	4.70		
2007	10,165	6,921	3,244	930	806	375	431	6,481	385	566	6.81		
2008	11,883	7,807	4,076	1,115	805	395	410	7,174	450	564	7.07		
2009	13,410	7,948	5,462	1,190	704	504	200	7,363	465	622	6.77		
2010	13,207	8,644	4,563	1,705	704	501	203	7,470	870	906	4.21		
2011	14,404	8,715	5,689	1,795	703	520	183	8,302	900	869	4.69		
2012	14,765	9,734	5,031	1,900	703	540	163	9,047	945	830	5.10		

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	Principal	Interest
2003	\$ 407	\$ 209	\$ 198	\$ 1,072	\$ 240	\$ 120	\$ 304	\$ -	\$ 67	4.50
2004	640	226	414	1,308	255	107	378	-	154	2.46
2005	724	325	399	1,415	265	95	464	176	150	1.42
2006	2,026	1,435	591	1,324	280	82	-	-	-	-
2007	2,179	1,465	714	1,587	290	69	-	-	-	-
2008	2,173	1,505	668	1,711	305	55	-	-	-	-
2009	1,170	550	620	1,584	320	41	1,871	942	255	1.56
2010	1,167	565	602	1,648	335	25	1,954	775	453	1.59
2011	1,168	585	583	1,769	350	9	1,446	809	419	1.18
2012	1,173	610	563	-	-	-	1,714	844	383	1.40

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

Calander Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2003	33,871	\$ 688,342,101	\$ 20,322	3.7%
2004	36,313	781,497,383	21,521	3.3%
2005	39,777	902,075,716	22,678	2.8%
2006	43,556	1,054,287,865	24,205	2.3%
2007	46,157	1,199,566,033	25,989	1.6%
2008	48,098	1,197,864,419	24,905	1.9%
2009	49,382	1,204,495,728	24,391	2.7%
2010	50,333	1,297,566,499	25,780	4.3%
2011	50,418	1,414,347,484 *	28,052	6.4%
2012	53,902	1,541,638,757 *	28,601	5.8%

Sources: Population information from South Jordan Building Department
Unemployment rate - www.bls.gov/data/home.htm
Personal income - www.tax.utah.gov/esu/income

* 2011 and 2012 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>	2012			2003		
	<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	1,265	1	8.05%	907	2	8.41%
Merit Medical	1,099	2	7.00%	580	4	5.38%
Ultradent Products	825	3	5.25%	680	3	6.31%
Rio Tinto	605	4	3.85%			
City of South Jordan	453	5	2.88%	228	5	2.11%
Wal-Mart Supercenter	452	6	2.88%			
Morgan Stanley Smith Barney	369	7	2.35%			
University of Utah Healthcare	333	8	2.12%			
Dealer Track Systems	328	9	2.09%			
Mona Vie	280	10	1.78%			
Convergys				1,600	1	14.84%
Harmons				120	7	1.11%
Altius Health Plans				170	6	1.58%
Ikon Office Solutions				100	9	0.93%
Smith's Food & Drug Center				85	10	0.79%
Total	<u>6,009</u>		<u>38.26%</u>	<u>4,470</u>		<u>33.05%</u>

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Full-time-Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time-Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007 ¹	2008	2009	2010	2011	2012
General government	11.00	6.00	5.50	9.75	8.25	8.25	10.25	10.25	10.25	9.16
Management services	11.50	20.50	18.50	20.50	23.00	32.00	19.00	19.00	17.00	19.00
Finance	5.00	4.00	7.00	5.00	8.00	9.00	11.00	8.00	9.00	7.00
Planning	9.00	6.00	9.00	7.00	5.00	4.50	4.50	6.00	6.00	7.00
Building	7.00	7.00	8.00	8.00	10.00	8.00	8.00	9.00	12.00	12.00
Legal ²					6.00	6.00	7.00	7.00	6.00	6.48
Municipal Court ²					7.80	6.00	6.00	8.00	7.00	6.04
Other	7.00	7.00	7.00	7.00	11.00	15.00	24.00	22.00	19.00	23.00
Police										
Officers	37.00	37.00	43.00	41.00	48.00	50.00	49.00	48.00	50.00	47.00
Civilians	12.00	13.75	18.50	19.25	10.75	10.75	11.75	10.75	8.91	14.06
Fire										
Firefighters and officers	34.00	34.00	34.00	44.00	42.00	46.00	46.00	45.00	47.00	45.18
Civilians	0.00	0.00	0.50	1.50	2.00	2.00	2.00	2.00	1.34	1.00
Refuse collections	1.00	1.00	1.00	1.00	2.00	3.00	2.00	2.00	2.00	2.00
Other public works										
Engineering	10.00	11.00	12.75	15.50	19.50	20.00	20.00	19.00	18.00	17.00
Streets ²					12.00	12.00	13.00	12.00	12.00	13.00
Storm Drain ²					5.00	8.00	10.00	8.00	8.00	8.00
Other	26.00	20.00	32.00	39.00	12.00	11.00	11.00	13.00	13.00	14.00
Redevelopment	0.00	1.50	1.50	1.00	1.00	2.00	1.00	1.00	1.00	2.00
Parks and recreation	20.50	22.00	76.00	76.50	45.50	53.25	47.00	50.25	58.25	72.91
Water	13.00	14.00	14.00	14.00	17.00	17.00	19.00	19.00	18.00	19.00
Total	204.00	204.75	288.25	310.00	295.80	323.75	321.50	319.25	323.75	344.83

Source: The City of South Jordan HR Department

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

² New function breakout

CITY OF SOUTH JORDAN

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Building permits issued	1,084	1,380	1,522	1,772	1,678	1,397	1,064	1,086	1,058	1,296
Building inspections conducted	24,918	29,077	34,368	46,760	55,350	47,269	41,852	52,873	37,178	50,533
Police										
Physical arrests	922	1,060	988	1,008	984	1,118	1,248	960	927	799
Parking violations	130	246	454	586	902	601	401	558	490	381
Traffic violations	12,944	13,785	14,179	12,485	11,466	12,882	11,892	10,395	10,327	9,247
Fire										
Emergency responses	1,803	1,790	1,886	2,174	2,256	2,315	2,472	2,401	2,546	2,020
Fires extinguished	101	147	132	134	146	121	123	807	981	110
Inspections	1,631	1,669	2,148	2,860	2,127	951	1,474	1,237	1,537	272
Other public works										
Street resurfacing (miles)	2	3	4	6	39	2	13	2	3	7
Potholes repaired	1,745	1,876	1,934	2,080	1,700	14,720	10,200	12,000	2,400	996
Parks and recreation										
Athletic field permits issued	6	6	6	6	7	8	6	7	8	7
Community center admissions	4,960	5,109	5,262	5,420	7,590	11,364	14,176	16,433	18,011	22,263
Water										
New connections	1,294	280	820	905	1,035	872	689	1,180	840	885
Water main breaks	150	150	150	132	74	126	222	35	130	117
Average daily consumption (thousands of gallons)	7,591	8,014	7,645	9,547	12,431	11,378	10,587	10,484	9,659	10,830
Peak daily consumption (thousands of gallons)	17,459	18,433	17,583	22,148	24,194	27,139	25,382	26,523	27,317	25,370

Sources: The City of South Jordan

Notes: Community Center admissions is an estimate

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	2	2	2	2	2	2
Sub station	1	1	1	1	-	-	-	-	-	-
Patrol units	34	38	44	44	49	51	52	52	52	52
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (City-maintained miles)	145	160	170	185	195	207	216	220	222	225
Streetlights	2,123	2,150	2,477	3,785	3,965	4,096	4,230	4,355	4,521	4,756
Storm Drain (miles)	85	92	100	104	117	123	125	125	126	127
Traffic signals	9	10	10	12	15	12	13	10	15	15
Parks and recreation										
Acreage	260	260	298	388	388	388	400	400	400	400
Playgrounds	13	14	15	16	16	16	16	18	18	20
Baseball/softball diamonds	9	9	9	9	9	9	10	10	10	10
Soccer/football fields	5	9	9	9	9	9	9	9	9	9
Basketball/tennis courts	9	9	11	11	11	11	11	12	12	12
Fishing ponds	-	-	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	172	187	219	244	267	277	279	306	310	313
Irrigation Water Lines (miles)	85	86	93	95	101	157	161	98	98	167
Fire Hydrants	1,894	1,894	2,115	2,416	2,475	2,672	2,805	2,836	2,897	2,929
Storage capacity (thou. of gallons)	-	-	14,000	14,000	18,000	18,000	18,000	18,000	33,600	33,600

Sources: The City of South Jordan

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Internal Control and Compliance Reports



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

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

October 26, 2012

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, as of and for the year ended June 30, 2012, which collectively comprise the City of South Jordan's basic financial statements and have issued our report thereon dated October 26, 2012. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of significant deficiencies that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those who are charged with governance.

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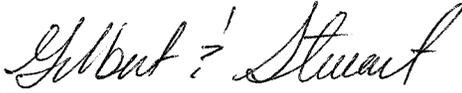
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Compliance and Other Matters

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 or other matters 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

SOUTH JORDAN CITY
SCHEDULE OF FINDINGS
JUNE 30, 2012

Significant Deficiencies in Internal Control:

2012-1 – Credit Cards

Finding

During the course of the audit we noted that the City's procedures in place for credit cards are not functioning properly. We found that invoices were not approved, expenses not coded to the general ledger accounts, and documentation was not provided.

Recommendation

We recommend that the City review its internal controls over credit cards and ensure that the controls are being followed by increasing the accountability of those who are in possession of the cards and the department heads that have supervision over them.

City's Response

The City will follow the auditor's recommendation by increasing the accountability of those who are in possession of the cards and the department heads that have supervision over them. All credit card holders, administrative assistants, and department heads will be properly trained on the existing credit card usage policy. Unless preapproved, expenditures incurred by department heads above the threshold set by City Manager will require an Assistant City Manager signature.

2012-2 – Fleet

Finding

During the course of the audit we noted that the City procedures that are in place for Gas Cards and City gas pump consumption are not functioning properly. This led to misappropriation of funds by a City employee. The City implemented new internal controls. We tested and found that the new controls were in place and functioning properly, but were not documented.

Recommendation

We recommend that the City document the controls over the fleet department to ensure that the employees are aware and accountable for compliance.

City's Response

The City will document policy and procedures to be followed by employees having supervisory responsibility over fleet and those who have access to City vehicles. This process will be regularly audited to make certain the new controls are implemented and documented.



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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

October 26, 2012

We have audited the City of South Jordan's compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Guide* for the year ended June 30, 2012. The general compliance requirements applicable to the City are identified as follows:

Public Debt	Liquor Law Enforcement
Cash Management	Other General Compliance Issues
Purchasing Requirements	Uniform Building Code Standards
Budgetary Compliance	Impact Fees
Justice Courts Compliance	Utah Retirement System Compliance
Asset Forfeitures	Truth in Taxation & Property Tax Limitations
Fund Balance	B&C Road Funds

The City received the following Major assistance programs from the State of Utah:

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

Compliance with the requirements referred to above is the responsibility of the City's management. 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

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In our opinion, South Jordan City complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state assistance programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the State of Utah Legal compliance guide and which are described in our letter to those charged with governance dated October 26, 2012 as item 2012-1.

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.



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