

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

2015



City of South Jordan, Utah

**City of South Jordan
State of Utah**

Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2015

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, 2015

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INTRODUCTORY SECTION



David L. Alvord, *Mayor*
Mark Seethaler, *Councilman*
Chuck Newton, *Councilman*
Donald J. Shelton, *Councilman*
Steve Barnes, *Councilman*
Christopher J. Rogers, *Councilman*



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December 22, 2015

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, 2015, 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 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 and fiduciary funds. 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.



First in State

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

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. Fiduciary funds are resources held by the City, but belong to individuals or entities outside the government. The City has one fiduciary fund, the Metro Fire Testing Consortium agency fund.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

Governmental Structure

Under the City's six-member council form of government, by ordinance, legislative powers are vested in a governing body consisting of a Mayor and a five-member City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. 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 southwest part of the Salt Lake Valley. The City is a rapidly growing suburban community encompassing 22.26 square miles. The City's population is estimated at 65,150. We anticipate the population in South Jordan will continue to increase. The U.S. Census bureau recently named South Jordan the fifth fastest-growing city in the nation from July 2013 to July 2014.

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 is continuing to see a strong local economy. While building permit revenue fell 30.8 percent from fiscal year 2014, The City is still seeing increased interest in both residential and commercial development. Overall general fund revenues rose 3.5 percent, with the largest increase occurring in the City's sales tax collections (12.7 percent). The City remains cautious with the Zions Bank Consumer Attitude Index decreasing 8.8 points and national indicators leaning towards slow national economic growth. The state of Utah, however, still shows a strong labor market with low unemployment and a strong housing market with a year-over-year increase of 5.5 percent.

MAJOR INITIATIVES

City Council Strategic Priorities. The City Council adopted 6 goals and 12 priorities to support the mission of the City of South Jordan. Of the 77 action items identified, 37 were completed, 31 were in progress, and 9 were deferred at fiscal year end. These goals, along with major completed action items, are below:

1. Fiscal Responsibility. The City should have a balanced budget, healthy reserve fund, manageable debt, sustainable spending, and a municipal tax rate only necessary to provide services citizens desire.
 - Action Item – Property taxes reduced by 2 percent.
 - Action Item – Priority based budgeting implemented.
2. Balanced Regulatory Environment. Planning and zoning regulations should encourage a well-maintained and aesthetically pleasing environment that contributes to resident satisfaction and promotes economic development.
 - Action Item – Prepared affordable housing plan.
 - Action Item – Conducted development impact cost model.
3. Sustainable Growth. Commercial development contributes to economic stability, residential opportunities, and educational excellence. Residential development supports landowner rights, land use planning, neighboring developments, and quality of life. Civic development needs to progress in harmony with our community.
 - Action Item – Conducted school district feasibility analysis.
 - Action Item – 11400 South widened at 4000 West.
4. Engaged Community. A framework exists for open and effective dialogue between residents, City staff, and elected representatives. Attractive community activities are successfully hosted year-round. Residents are well informed and engaged on community issues.
 - Action Item – Implemented citywide social media policy.
 - Action Item – Hired full-time communications professional.
5. Desirable Amenities and Open Space. The City has beautiful and extensive parks, open spaces, and amenities to support a wide variety of recreational opportunities.
 - Action Item – Supported efforts for successful ZAP reauthorization and project development.
 - Action Item – Playground replacement at Bolton Park and softball/baseball field renovations.
6. Operational Excellence. Residents receive fair process for services, high customer service, quick response times, open communication, innovation, and fiscal responsibility.
 - Action Item – Gale Center facility improvements and City Hall roof repairs.
 - Action Item – Fire Station 61 facility improvements.
 - Action Item – Advanced Metering Infrastructure (AMI).
 - Action Item – ERP software implementation phase I (Munis).

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 the citizens of South Jordan are able to live and work in a desirable environment. During fiscal year 2015, the City had several significant new and ongoing projects. Some of these projects are listed below:

1. Park Projects. The City spent \$450,000 refurbishing baseball and softball fields. Continued work was accomplished on the Midas Creek and Ivory Crossing parks. Approximately \$92,000 was spent on phase II of the Oquirrh Shadows park. In addition, \$115,000 was spent on the Bingham trail.
2. Road Projects. The City completed, in conjunction with UDOT, the 4800 West extension project, and continued work on 2700 West expansion and rehabilitation. Multiple street maintenance projects were also completed during the year.
3. Storm Drain Projects. The City worked on multiple storm drain projects during the year, including the 11800 South Bangerter Highway Basin and storm drain improvements for 2700 West.
4. Fire Station 63. The City finalized architectural drawings for this new fire station, with the groundbreaking occurring in early fiscal year 2016.
5. Automated Meter Infrastructure (AMI). The City substantially completed phase I of this project, which involved all residences west of 4800 West. AMI allows the City to collect hourly meter reading data (with an option of real-time data) and eliminates the need to “drive by” a meter for readings. This technology will be a major component in the City’s water conservation efforts.
6. ERP System Phase I. The City went “live” with phase I of the Munis ERP system implementation in late June. Phase I includes core financial modules (accounts payable, general ledger, budget, purchasing, and fixed assets).
7. Vehicle Replacement. The City continued to replace aging vehicles funded, in part, by a \$1,385,000 capital lease.

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, public safety, *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 industrial space.

The South Jordan Redevelopment Agency was established for the purpose of encouraging new development within the City. The Agency currently has six active redevelopment areas (RDA’s), three active economic development areas (EDA’s), and two active community development areas (CDA’s). These areas have been successful in assisting several new office, retail, and industrial businesses 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, and Hobby Lobby.

The City welcomed many new businesses during the fiscal year. Two notable additions were the opening of Costco and Tim Dahle Nissan. This is in addition to many retail additions at the Oquirrh Mountain Marketplace. Plans also progressed for a new Riverton Chevrolet to open in fiscal year 2016.

The City's success in recruiting a diverse commercial base 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 has been able to maintain reserve funds in excess of the minimum required by State code. From fiscal year 2012 to 2015, the City's governmental funds revenues increased from \$52,002,505 to \$58,773,971, and expenditures increased from \$45,283,711 to \$53,300,686. Growth in proprietary funds has increased during this period as well. Proprietary fund operating revenues increased from \$19,292,905 to \$22,287,496, while operating expenses rose from \$16,809,635 to \$17,579,651.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring an adequate internal control structure and for documenting 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, 2015, disclosed no instances of internal control weaknesses.

The City's budget serves as the foundation for its financial planning and control. The City's Chief Financial Officer/Budget Officer, in conjunction with City staff, Mayor, and City Council, 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 between funds 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 appropriated 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 Piercy Bowler Taylor & Kern was selected by the City's Audit Committee 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, 2014. 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 29 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.

The City also received from the GFOA an Award for Outstanding Achievement in Popular Financial Reporting for its fiscal year 2014 Popular Annual Financial Report (PAFR). The PAFR contains information extracted from the City's CAFR and is designed to be readily accessible and easily understandable to the general public. This award demonstrates the City's goal of providing information to a wider range of interested parties. This is the second year the City has received this award.

Acknowledgments

We would like to thank the Mayor, City Council, and Audit Committee 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
Chief Financial Officer/Budget Officer



Gary L. Whatcott
City Manager



Government Finance Officers Association

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

Presented to

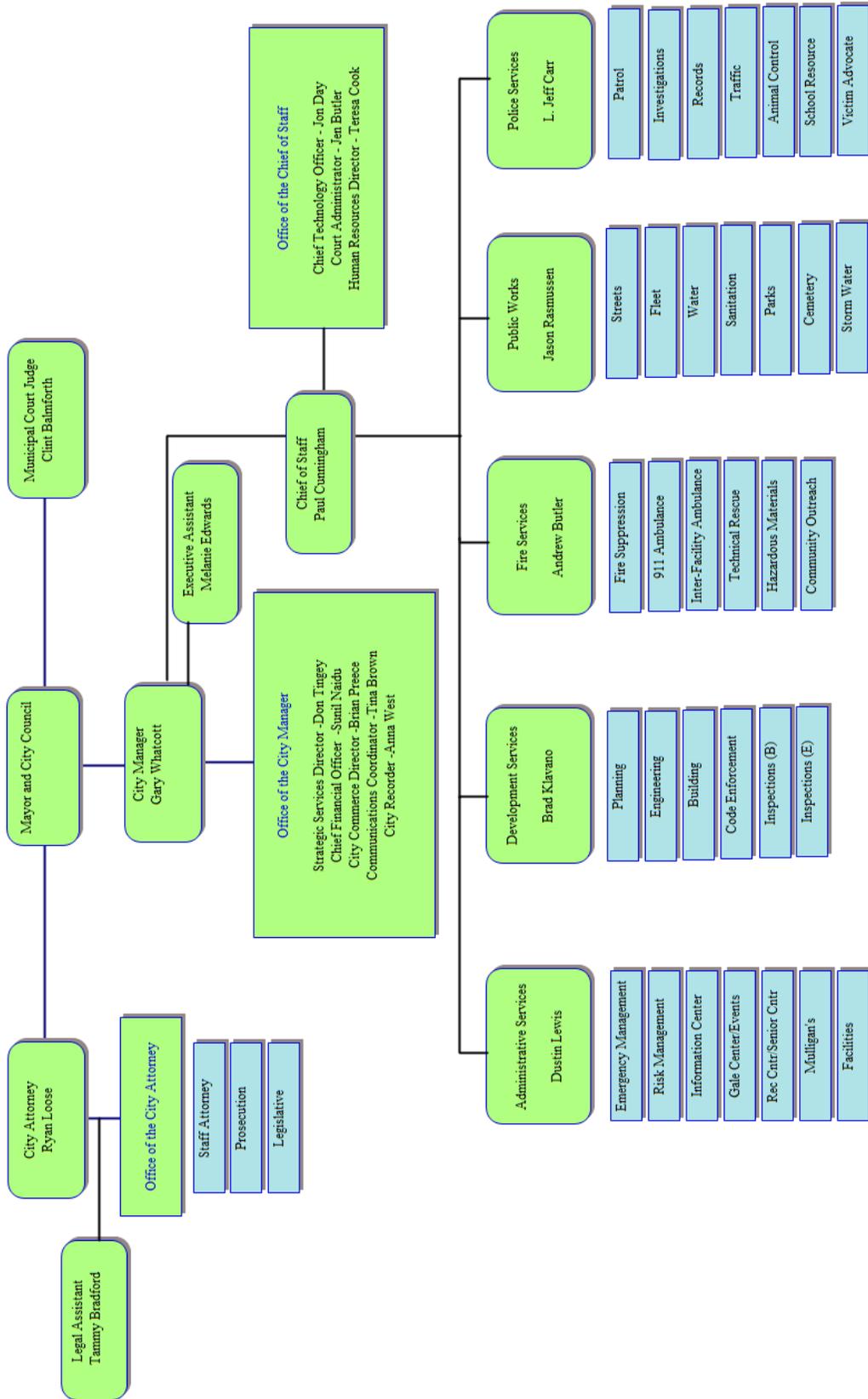
**City of South Jordan
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of South Jordan, Utah Organizational Chart



City of South Jordan, Utah
 List of Elected and Appointed Officials
 As of June 30, 2015

Elected Officials:



Mayor David L. Alvord, Councilman Mark Seethaler,
 Councilman Chuck Newton, Councilman Donald J. Shelton,
 Councilman Steve Barnes, Councilman Christopher J. Rogers

Appointed Officials:

- Gary L. Whatcott City Manager
- Ryan Loose General Counsel/City Attorney
- Clinton E. Balmforth Municipal Court Judge
- Sunil K. Naidu Chief Financial Officer/Budget Officer
- Kyle Maurer..... City Treasurer
- Anna West..... City Recorder

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FINANCIAL SECTION



Independent Auditor's Report

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the City Council
City of South Jordan, Utah

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 (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

An audit performed in accordance with applicable professional standards is a process designed to obtain reasonable assurance about whether the City's basic financial statements are free from material misstatement. This process involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the basic financial statements to enable the design of audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the basic financial statements.

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic 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 basic financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

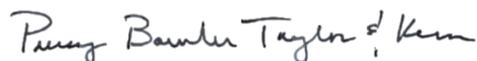
Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions and budgetary comparison information on pages 17-32 and 88-93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards. In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Salt Lake City, Utah
December 22, 2015

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, 2015. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$389,790,859 (net position). Of this amount, \$62,583,556 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of the City of South Jordan increased by \$27,967,130. Of this increase, \$20,581,897 (73.6 percent) is attributable to governmental activities, mainly from donated capital assets and increased revenues due to growth within the City (both residential and commercial). Business-type activities provided a \$7,385,233 increase to the City's net position primarily due to greater than anticipated charges for services in the water fund due to population growth and donated infrastructure.
- As of the close of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$60,820,602, an increase of \$7,218,051 (13.5 percent). The majority of fund balance is in the capital projects fund (50.6 percent) and redevelopment agency fund (21.8 percent). In addition, 25.6 percent of capital projects fund balance is restricted for impact fee eligible projects and 2700 West reconstruction. Nonspendable fund balance constitutes 12.8 percent of capital projects fund balance for the Mulligans long-term interfund loan receivable.
- At the end of fiscal year 2015, unassigned fund balance of the general fund was \$6,788,567, or 21.1 percent of general fund expenditures (excluding other financing uses). Utah state law allows any balance in excess of 5 percent of the total revenues to be utilized for budget purposes. The maximum fund balance allowed is 25 percent of next fiscal year's estimated revenues. The City's General Fund unassigned fund balance is currently at 18.7 percent of next year's budgeted revenues.
- The City's total long-term obligations (excluding net pension liability) decreased \$8,756,126 (13.1 percent). This is largely due to regularly scheduled debt service payments and retirement of the 2005 MBA Lease Revenue Refunding Bonds. This

retirement was accomplished through an interfund loan between the capital projects fund and the Mulligans fund.

- With the implementation of Governmental Accounting Standards Board (GASB) statement no. 68, the City recognized total net pension assets of \$537,996 and total net pension liabilities of \$6,513.593. More information regarding this standard can be found in Note 10 on page 77 and Note 15 on page 86.

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position 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 services, development services, public works, recreation, and public safety. The business-type activities of the City include water, sanitation, and Mulligans Golf & Games (Mulligans).

The government-wide financial statements can be found on pages 35-36 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 City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. *Nonspendable* balances include inventories, long-term notes receivable, and prepaid expenditures that are not expected to be converted to cash. *Restricted* balances include net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include bond and capital lease proceeds designated for specific projects, debt service reserve requirements, and grant proceeds. *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. *Assigned* balances in the general fund and other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. *Unassigned* balances in the general fund are all other available net resources. At June 30, 2015, the City's combined governmental fund balance is \$60,820,602 (\$4,459,935 in nonspendable, \$11,103,967 in restricted, \$38,468,133 in assigned, and \$6,788,567 in unassigned fund balances). Additional detail regarding governmental fund balances can be found in Note 1 of this report.

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets readily convertible to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information

helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following nine individual governmental funds:

- General
- Redevelopment Agency (RDA)
- Capital Projects
- Storm Drain
- Community Development Block Grant (CDBG)
- Fitness Center
- Debt Service
- 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, redevelopment agency, and capital projects 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 38-39 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, enterprise funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility, sanitation services, and Mulligans.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water fund, which is considered a major fund. Data from the other proprietary funds (Mulligans and sanitation) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is available elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 42-44 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources are not available to support the City's own programs. The accounting used for fiduciary funds is like that used for proprietary funds.

The City maintains one type of fiduciary fund. The *agency fund* reports resources held by the City for the Metro Fire Testing Consortium (MFTC).

The fiduciary fund financial statements can be found on pages 46-47 of this report.

Notes to the financial statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 49 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. This section also contains required supplementary information for the City’s pension program. The RSI section begins on page 87.

Other Information – In addition to the above-mentioned statements and reports, this report also presents other supplementary information and a statistical section which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City’s nonmajor funds as well as budget to actual statements for major funds not reported as RSI. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 95, and the statistical section begins on page 111.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of South Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$389,790,859 as of June 30, 2015.

By far the largest portion of the City’s position (78.9 percent) reflects its investments in capital assets (e.g., land, water shares, buildings and structure, machinery and equipment, improvements, construction in progress, 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 position:

CITY OF SOUTH JORDAN

Summary of Net Position

For the Year Ended June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 88,866,748	\$ 83,062,957	\$ 31,049,187	\$ 30,692,022	\$ 119,915,935	\$ 113,754,979
Net Pension Asset	537,573	-	423	-	537,996	-
Capital Assets	242,271,098	230,195,723	119,571,374	119,538,143	361,842,472	349,733,866
Total Assets	331,675,419	313,258,680	150,620,984	150,230,165	482,296,403	463,488,845
Total Deferred Outflows of Resources	1,825,613	527,849	629,848	576,193	2,455,461	1,104,042
Long-Term Debt Outstanding	32,114,433	33,771,161	25,793,853	32,893,251	57,908,286	66,664,412
Net Pension Liability	5,931,329	-	582,264	-	6,513,593	-
Other Liabilities	7,580,961	6,949,786	2,195,642	2,297,699	9,776,603	9,247,485
Total Liabilities	45,626,723	40,720,947	28,571,759	35,190,950	74,198,482	75,911,897
Total Deferred Inflows of Resources	20,577,862	20,245,983	184,661	-	20,762,523	20,245,983
Invested in Capital Assets, Net of Related Debt	213,258,424	199,575,459	94,420,764	87,328,878	307,679,188	286,904,337
Restricted	11,103,967	10,501,361	8,424,148	9,167,118	19,528,115	19,668,479
Unrestricted	42,934,056	42,742,779	19,649,500	19,119,412	62,583,556	61,862,191
Total Net Position	\$ 267,296,447	\$ 252,819,599	\$ 122,494,412	\$ 115,615,408	\$ 389,790,859	\$ 368,435,007

An additional portion of the City's net position (5.0 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$62,583,556 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2015, the City is able to report positive balances in all three categories of net position for the government as a whole as well as for its separate governmental-type activities. Positive balances for all three categories are also reported for the water and sanitation funds. The Mulligans fund, however, reports a negative unrestricted fund balance due to an interfund loan between the capital projects fund and Mulligans fund.

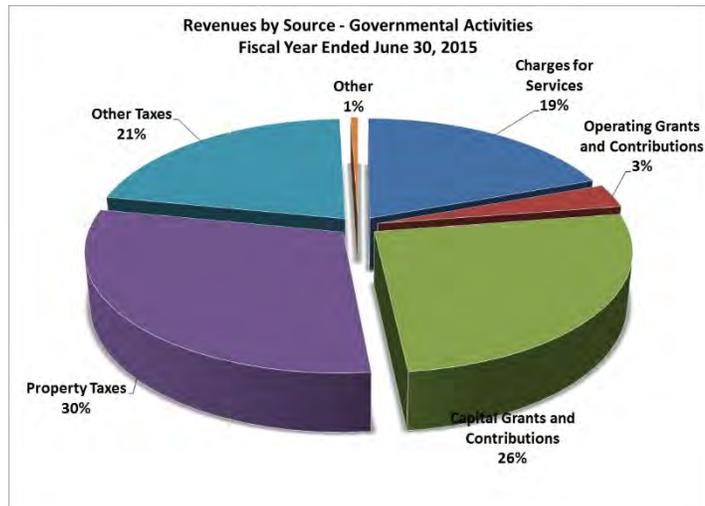
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2015:

CITY OF SOUTH JORDAN
Summary of Changes in Net Position
For the Period Ended June 30, 2015

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for Services	\$ 14,184,805	\$ 17,632,548	\$ 22,568,287	\$ 21,838,704	\$ 36,753,092	\$ 39,471,252
Operating Grants and Contributions	2,323,266	2,513,188	-	-	2,323,266	2,513,188
Capital Grants and Contributions	18,803,409	7,329,039	3,689,351	2,386,344	22,492,760	9,715,383
General Revenues:						
Property Taxes	21,700,883	21,379,926	-	-	21,700,883	21,379,926
Other Taxes	15,615,470	14,305,736	-	-	15,615,470	14,305,736
Other	388,660	487,295	-	-	388,660	487,295
Total Revenues	73,016,493	63,647,732	26,257,638	24,225,048	99,274,131	87,872,780
Expenses:						
General Government	18,395,535	16,608,707	-	-	18,395,535	16,608,707
Community Services	1,263,211	-	-	-	1,263,211	-
Development Services	3,626,463	3,517,200	-	-	3,626,463	3,517,200
Public Works	14,564,901	10,908,608	-	-	14,564,901	10,908,608
Recreation	2,146,638	-	-	-	2,146,638	-
Public Safety	11,515,459	10,878,736	-	-	11,515,459	10,878,736
Parks, Recreation, and Culture	-	4,514,140	-	-	-	4,514,140
Interest on Long-Term Debt	1,250,915	1,343,194	-	-	1,250,915	1,343,194
Water	-	-	15,267,223	15,080,336	15,267,223	15,080,336
Sanitation	-	-	2,602,360	2,798,131	2,602,360	2,798,131
Mulligans	-	-	997,913	1,064,918	997,913	1,064,918
Total Expenses	52,763,122	47,770,585	18,867,496	18,943,385	71,630,618	66,713,970
Gain on Sale of Capital Assets	323,617	47,339	-	-	323,617	47,339
Increase (Decrease) in Net Assets Before Transfers	20,576,988	15,924,486	7,390,142	5,281,663	27,967,130	21,206,149
Transfers	4,909	157,552	(4,909)	(157,552)	-	-
Increase in Net Position	20,581,897	16,082,038	7,385,233	5,124,111	27,967,130	21,206,149
Net Position - Beginning, as Previously Reported	252,819,599	236,737,561	115,615,408	110,491,297	368,435,007	347,228,858
Net Position - Restated for Net Pension Liability (Note 15)	(6,105,049)	-	(506,229)	-	(6,611,278)	-
Net Position, Ending	\$ 267,296,447	\$ 252,819,599	\$ 122,494,412	\$ 115,615,408	\$ 389,790,859	\$ 368,435,007

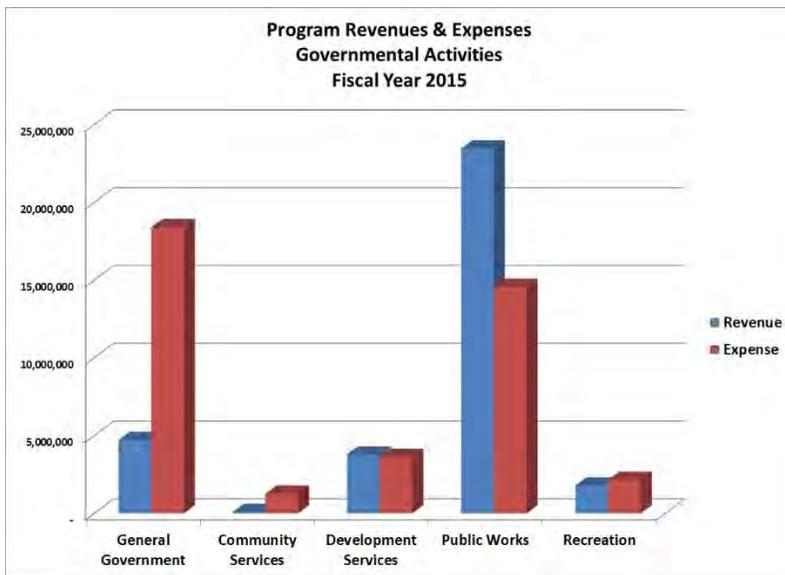
Governmental Activities – Governmental activities increased the City’s net position by \$20,581,897. Key elements affecting governmental activities net position are as follows:

- General fund revenues posted \$2,701,475 above expectations during fiscal year 2015. Specifically, sales tax exceeded expectations by \$594,956, energy sales & use tax exceeded expectations by \$567,464, cable TV franchise tax exceeded expectations by \$110,652, ambulance fees exceeded expectations by \$291,920, engineering fees exceeded expectations by \$184,406, and building permits exceeded expectations by \$424,863. In addition, the general fund’s



expenditures were \$2,288,524 lower than anticipated in the budget. All expense categories were under budget (wages & salaries, materials & supplies, and other).

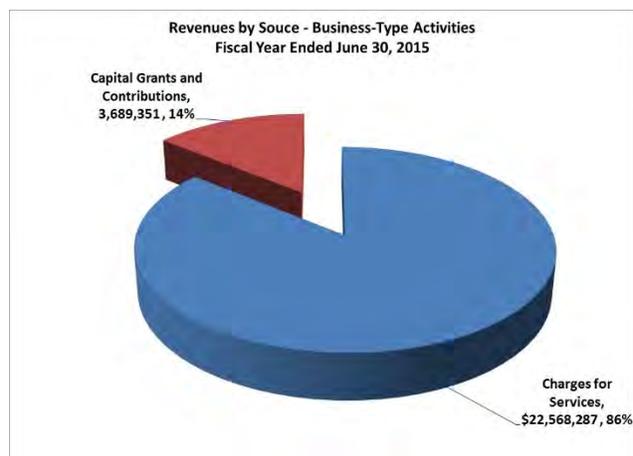
- The City’s governmental funds received \$3,008,561 in impact fee revenue during the fiscal year. Impact fee revenue is not spent in the year received, instead it is budgeted for projects in future years.
- The storm drain fund spent \$1,069,289 less than received in revenues during the year. This excess will be used for future storm drain projects and to complete previously budgeted projects.
- During fiscal year 2015, the City’s governmental funds completed \$20,102,389 of capital projects which includes \$1,294,378 of projects that began in prior years. Projects totaling \$1,251,122 were in progress at year end. The most significant projects completed during the year include \$450,000 for baseball and softball fields, \$305,021



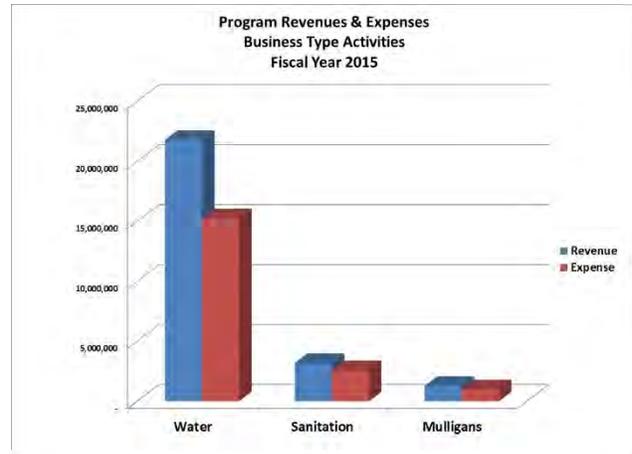
for the City Hall Annex, \$269,852 for 11400 South 4000 West construction, \$228,346 for the 11800 South Bangerter Highway Basin, \$1,173,127 for 2700 West widening and reconstruction, \$494,840 for 4800 West, and \$1,979,349 for machinery & equipment. Donated assets include \$4,695,897 in donated land, \$4,973,488 in roads, \$1,454,414 in sidewalks, \$1,473,875 in curb & gutter, \$1,610,843 in storm drain, and \$417,834 in street lights.

Business-Type Activities – Business-type activities increased the City’s net position by \$7,385,233, which represents an increase of \$2,261,122 over the previous year’s change. Key elements of the change in business-type net position are as follows:

- During fiscal year 2015, the City’s business-type activities completed \$2,351,167 in capital projects, and \$6,212,899 of projects were in progress at year end. Notable completed projects include \$159,370 in new vehicles and \$164,716 for centralized irrigation for the parks department. In addition, \$2,010,341 of donated water lines were capitalized during the fiscal year.



- Mulligans operating revenues exceeded expectations by \$441,478 and expenditures were under budgeted expectations. The Mulligans fund increased overall net position by \$197,999, but unrestricted net position decreased by \$3,903,780. This is due to the interfund loan of \$3,928,189 initiated with the capital projects fund to pay off the 2005 MBA Lease Revenue and Refunding Bonds.
- The sanitation fund experienced an increase in net position of \$554,313. This increase is largely due to the City's portion of Trans-Jordan Landfill's increase in net position (\$106,496), budgeted revenues exceeding expectations by \$226,988, and expenditures being below budgeted expectations by \$268,398.
- Water fund operating revenues exceeded expectations by \$2,607,412, the City recorded \$2,010,341 of donated infrastructure (water lines), and \$1,679,010 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.



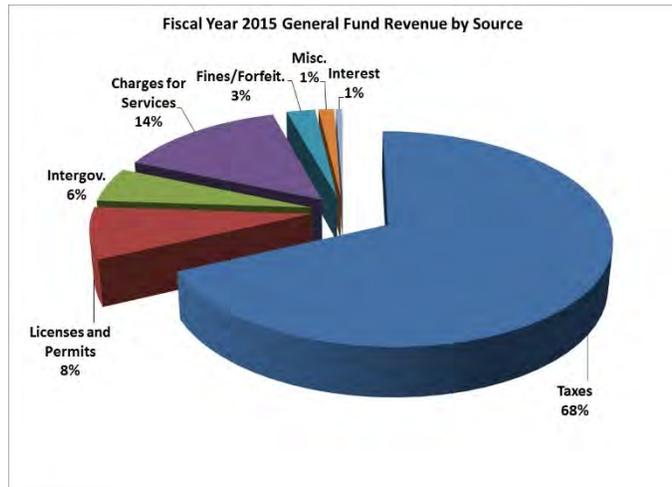
FUND FINANCIAL ANALYSIS

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

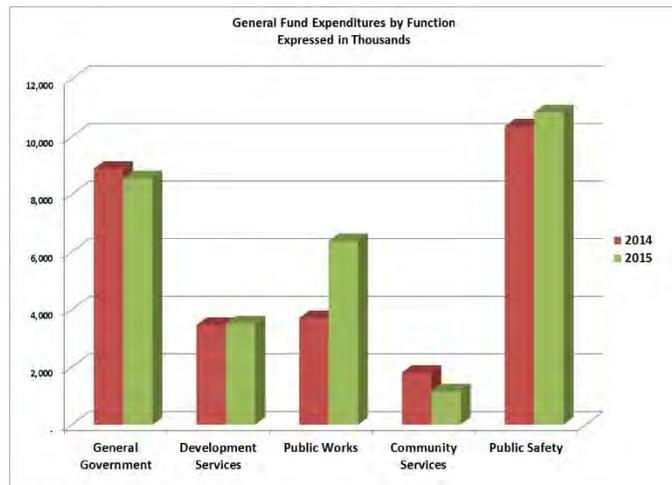
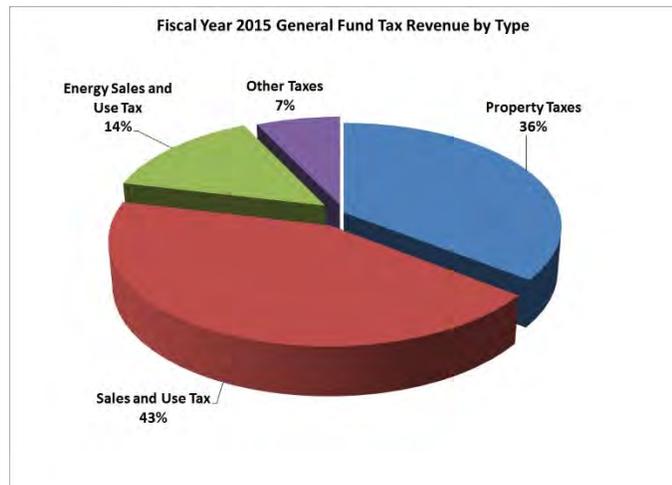
As of June 30, 2015, The City's governmental funds (General, RDA, capital projects, and nonmajor funds) reported combined fund balances of \$60,820,602. This represents an increase of \$7,218,051 from last year's ending balances. \$6,788,567 (11.2 percent) of the total fund balance constitutes *unassigned fund balance* and is therefore available for spending at the City's discretion. *Assigned fund* balance totals \$38,468,133 (63.3 percent), meaning the City intends to use this amount for specific purposes (debt service, redevelopment agency (RDA), capital projects, storm drain projects, fitness center, and municipal building authority (MBA)). Fund balance of \$11,103,967 (18.3 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, public safety, equipment, and arts and cultural development. The City also has inventory (\$56,095), long-term notes receivable (\$3,932,631), and prepaid items (\$471,209) 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. Revenues exceeded expenditures (including other financing sources and uses) in the general fund by \$197,077 during the year. A transfer of \$4,650,450 to the capital projects fund was also completed. The City Council will authorize uses of this transfer during fiscal year 2016.



Taxes continue to be the largest source of revenue in the general fund and represent 68.1 percent of total general fund revenues. The largest component of tax revenue is sales tax, which represents 43.2 percent of total tax revenues and 29.4 percent of total general fund revenues. This compares with 27.1 percent of total general fund revenues in the prior fiscal year ended June 30, 2014. General fund expenditures increased during fiscal year 2015, going from \$28,979,038 in 2014 to \$32,253,719 in 2015. \$133,129 of this increase is attributable to the cemetery function being moved to the general fund (it was previously accounted for in a Permanent Fund). Parks department expenditures increased by \$357,122 largely due to a payment made to the Water Fund for water used in City parks and increased maintenance costs. Debt service payments increased \$75,235 due to the capital lease issued last fiscal year. The City also funded a 3 percent merit salary increase and mandatory defined contribution rate increases imposed by URS (Utah Retirement Systems). Increased expenditures were not due to a material increase in City staff. The City also experienced increased



expenditures due to providing services to a larger residential base. These expenses were offset by increased property and sales taxes.

Other Governmental Funds

Highlights from the City's other governmental funds show indicators of a growing city and strong local economy. During fiscal year 2015, property tax collections from redevelopment areas increased 0.9 percent to a total of \$12,162,101 during the same period. This increase is due to an increase in taxable values. RDA fund balance decreased \$1,027,953 to a total of \$13,276,274 (7.2 percent decrease). The main reason for this decrease is a \$1,000,000 contribution to the Orlene Walker Housing Loan Fund. This payment was made using RDA housing monies.

Fund balance in the capital projects fund increased \$7,152,297 from \$23,602,798 to \$30,755,095. Of this amount, \$6,912,302 (22.5 percent) is restricted for impact fee eligible capital projects. In addition, \$964,462 is restricted for 2700 West reconstruction. Assigned fund balance increased \$2,430,329 (14.7 percent) to \$18,945,700. This increase is attributable to a year-end transfer from the general fund (\$4,650,450) for future projects, pending official action from the City Council during fiscal year 2016. A total of \$4,839,107 was spent on capital projects during the fiscal year. The City has current construction commitments of \$6,860,058 relating to capital project funds, which are not expected to affect the fund resources available for future use.

Storm drain revenue was \$87,659 above expectations during fiscal year 2015 mainly due to increased residential and commercial development. In addition, capital outlay expenditures were \$329,622 below expectations. Projects in progress at year end will be completed in future years. These factors led to an increase in storm drain fund balance of \$1,069,289 (29.3 percent increase). Fund balance will be used to comply with federal storm water mandates, complete projects started in prior years, and to improve the City's storm drain system.

Fund balance in the fitness center fund increased \$142,138 (9.9 percent) during fiscal year 2015. Charges for services exceeded expectations by \$35,606 due to increased utilization. The majority of the fund balance increase will be used for future fitness center capital projects, which are expected to increase as the facility ages.

Total payments for debt service in the debt service fund remained relatively flat at \$2,019,153. This is mainly due to a lack of new bonds issued during the fiscal year.

Fund balance in the Municipal Building Authority fund decreased \$1,437 during the fiscal year. This is due to interest income not coming in as anticipated during the fiscal year.

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 position increased from \$14,586,900 to \$18,403,720 in the water fund; decreased from \$65,310

to \$(3,838,470) in the Mulligans fund; and increased from \$4,467,202 to \$5,084,250 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. The City purchases all of its wholesale water from the Jordan Valley Water Conservancy District (JVWCD). During fiscal year 2013 a water rate study was completed which determined the current rates are sufficient to cover identified projects in the March 2012 culinary water master plan. In addition, a new rate study is planned during fiscal year 2016. During fiscal year 2015, a total of \$2,351,167 of capital assets was added (not including \$6,212,899 of work in progress outstanding at fiscal year end). Water accounts receivable increased \$188,885 during the fiscal year due to an increased customer base during the fiscal year. Accounts receivable for the sanitation and Mulligans funds remained relatively flat.

The increase in unrestricted net position for the water fund is mainly due to donated infrastructure (\$2,010,341) and impact fee revenue (\$1,679,010). The City does not budget or expend impact fee revenue in the year received. The Mulligans unrestricted fund balance decrease of \$3,903,780 is mainly due to the interfund loan initiated with the capital projects fund to pay off the 2005 MBA Lease Revenue and Refunding Bonds. Sanitation unrestricted fund balance increased \$617,048 due to its portion of the Trans-Jordan Landfill's increase in net position (\$106,496) and greater than anticipated revenues due to a growing customer base.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, general fund budgeted expenditures were amended from an original budget total of \$32,505,006 to a final budget total of \$34,542,243 (6.3 percent difference). 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 \$250,892. The majority of this decrease is due to moving the Assistant City Administrator's department to Chief of Staff administration. In addition, the postage budget of \$32,875 was moved from the City Recorder's budget to the Chief of Staff's (Information Center) budget.
- Administrative Services increased by \$226,624. Of this increase, \$40,000 is attributable to increased risk management claims and losses (offset by increased risk management revenue) and \$17,500 is attributable to the award of an Emergency Management Performance Grant. An additional \$114,387 was budgeted for the City's annual Country Fest celebration (offset by increased donations, Country Fest revenue, and sales tax revenue).

- Office of the Chief of Staff increased by \$183,329. This is mainly due to moving the Assistant City Administrator's budget (under General Government) to the Chief of Staff's budget (part of the July 2014 City-wide reorganization).
- Development Services decreased by \$75,318. This decrease is mainly due to an adjustment of budgeted personnel costs to reflect actual personnel costs within the department.
- Public Works increased by \$43,199, mainly due to personnel adjustments made to match actual personnel expenditures.
- Public Safety increased by \$369,324. Of this amount, \$19,017 is due to an increase in dispatch expense (offset by increased property tax collections). Interfacility overtime was increased by \$72,755 (offset by increased ambulance fees). An additional \$109,696 was budgeted for fire capital equipment (offset by sales tax revenue).
- Debt Service decreased by \$183,827. This budget was transferred to capital outlay for the purchase of loose equipment for the Fire Department's new apparatuses.
- Capital outlay increased \$1,724,798. Of this amount, \$1,385,000 was budgeted from the capital lease issued July 2014 and \$183,827 was transferred from the debt service budget.

General fund budgeted revenues were amended from \$32,614,614 to \$34,348,975 (an increase of \$1,734,361, or 5.3 percent). Highlights of this increase include:

- Property taxes were increased \$1,274,331. Part of this increase was used to fund an increase in public safety dispatch expenditures, \$432,816 was used to fund water and sanitation usage for general fund departments, \$184,696 funded additional Country Fest event supplies and fire capital expenditures, and \$637,802 funded portions of the City Hall Annex remodel and Fire Station 63.
- Sales tax increase of \$164,198 to fund part of Fire Station 63 and the City Hall Annex/City Hall remodeling project.
- A total of \$48,528 was budgeted in the general fund for additional grants received during the year.
- Ambulance fees were increased \$72,755 to fund additional interfacility overtime.
- Country Fest revenue increase of \$39,387 was budgeted (donations, ticket sales, and other revenue).

During the year, actual revenues were greater than budgeted revenues by \$2,701,475. Actual expenditures were less than budgeted expenditures by \$2,288,524. \$4,650,450 was transferred

to capital projects. During fiscal year 2016 official action by the City Council will determine how these funds will be used.

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, 2015 amounts to \$361,842,472 (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 increase in the City's investment in capital assets for the current year was 3.5 percent (a 5.2 percent increase for governmental activities and a 0.1 percent increase for business-type activities).

CITY OF SOUTH JORDAN

Capital Assets, Net of Depreciation

June 30, 2015

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 65,249,138	\$ 60,364,910	\$ 12,074,581	\$ 12,134,910	\$ 77,323,719	\$ 72,499,820
Water Shares	-	-	18,961,482	18,961,482	18,961,482	18,961,482
Buildings	17,576,043	18,449,267	1,067,654	1,153,137	18,643,697	19,602,404
Improvements	140,168,746	133,017,121	80,008,304	80,985,190	220,177,050	214,002,311
Machinery and Equip.	5,236,512	4,280,510	1,246,454	1,273,917	6,482,966	5,554,427
Const. in Progress	5,823,703	5,866,959	6,212,899	5,029,507	12,036,602	10,896,466
Right of Way	8,216,956	8,216,956	-	-	8,216,956	8,216,956
Total Capital Assets	\$ 242,271,098	\$ 230,195,723	\$ 119,571,374	\$ 119,538,143	\$ 361,842,472	\$ 349,733,866

Major capital asset events during fiscal year 2015 include the following:

- \$11,940,795 in contributed infrastructure assets including \$417,834 in street lights, \$4,973,488 in donated roads, \$1,473,875 in curb and gutter, \$1,454,414 in sidewalk, \$1,610,843 in donated storm drain infrastructure, and \$2,010,341 in water lines.
- Upgrades to the City's culinary water system totaling \$1,528,247 (excluding donated infrastructure). \$1,346,790 of the total spent was on projects in progress at the end of fiscal year 2015.
- During the year, the City spent \$6,877,809 (excluding donated infrastructure) on projects such as construction of new and/or extension of roads, improvements to park projects, storm drain improvements, land purchases, and general vehicles and equipment. \$1,246,422 of the total was spent on projects still in progress at fiscal year-end.

- As of June 30, 2015, the City had construction commitments of \$9,134,292 for unfinished projects.

Additional information on the City’s capital assets can be found in note 7 on page 70-71 of this report.

Long-term debt - As of June 30, 2015, the City had total long-term bonded debt outstanding of \$52,921,000. 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

Outstanding Long-Term Bonded Debt (Expressed in Thousands)

June 30, 2015

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Special Assessment Debt						
With Governmental Commitment	\$ 1,957	\$ 2,562	\$ -	\$ -	\$ 1,957	\$ 2,562
Revenue Bonds	25,889	27,896	25,075	32,080	50,964	59,976
Total bonded debt	<u>\$ 27,846</u>	<u>\$ 30,458</u>	<u>\$ 25,075</u>	<u>\$ 32,080</u>	<u>\$ 52,921</u>	<u>\$ 62,538</u>

The City’s total bonded debt outstanding decreased by \$9,617,000 during the fiscal year (15.4 percent). This decrease is due to regularly scheduled debt service payments and paying off the 2005 MBA Lease Revenue Refunding Bonds early.

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 & Poor’s rating of “AA”; the Series 2005 and 2011 MBA Lease Revenue Bonds, with a Standard & Poor’s rating of “AA+” and a Fitch rating of “AA.” Fitch has rated the remaining sales tax revenue bonds “AA+” and assigned an implied “AAA” general obligation rating.

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 \$194,418,263, 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 \$583,254,789, 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 73-77 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The 2015 unemployment rate for the City of South Jordan was 3.6 percent. This compares with a national unemployment rate of 5.3 percent. The 2014 unemployment rate for the City of South Jordan was 3.9 percent. (Source: Bureau of Labor Statistics.)
- General Fund budgeted revenues for the fiscal year ending June 30, 2016 (\$40,725,141) reflect an increase of 14.0 percent over the final budgeted revenues for the fiscal year ended June 30, 2015 (\$35,733,975). The majority of this increase is due to expected increases in sales tax revenue and charges for services (development-related revenue). The City continues its approach of budgeting conservatively to avoid revenue shortfalls. General fund expenditures in fiscal year 2016 are budgeted \$1,696,979 higher than fiscal year 2015. The majority of this increase is due to the merit and COLA (cost of living) increases approved with the budget and six full-time and two part-time positions created with the budget. \$1,851,000 of the projected revenue increase will fund maintenance projects within the capital projects fund.
- Minor fee schedule changes were approved for fiscal year 2016. These increases were necessary to cover the actual cost of providing services. A municipal energy franchise tax decrease of 2.0 percent was approved by the City Council with the 2016 budget.

REQUESTS 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 Position
June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 56,879,574	\$ 25,689,725	\$ 82,569,299
Restricted Cash	3,121,815	2,907,386	6,029,201
Receivables	24,371,230	3,336,221	27,707,451
Internal Balances	3,966,825	(3,966,825)	-
Inventories	56,095	88,537	144,632
Prepays	471,209	-	471,209
Other Assets	-	2,994,143	2,994,143
Net Pension Asset	537,573	423	537,996
Capital Assets Net of Depreciation:			
Land	65,249,138	12,074,581	77,323,719
Water Shares	-	18,961,482	18,961,482
Buildings	17,576,043	1,067,654	18,643,697
Improvements	140,168,746	80,008,304	220,177,050
Machinery and Equipment	5,236,512	1,246,454	6,482,966
Construction in Progress	5,823,703	6,212,899	12,036,602
Right of Way	8,216,956	-	8,216,956
Total Assets	<u>331,675,419</u>	<u>150,620,984</u>	<u>482,296,403</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	478,711	516,498	995,209
Resources Related to Pensions	1,346,902	113,350	1,460,252
Total Deferred Outflows of Resources	<u>1,825,613</u>	<u>629,848</u>	<u>2,455,461</u>
LIABILITIES			
Accounts Payable	2,252,515	1,763,023	4,015,538
Other Liabilities	4,912,772	240,886	5,153,658
Accrued Interest Payable	415,674	191,733	607,407
Long-term Liabilities			
Due Within One Year	5,117,807	2,329,027	7,446,834
Due in More Than One Year	26,996,626	23,464,826	50,461,452
Net Pension Liability	5,931,329	582,264	6,513,593
Total Liabilities	<u>45,626,723</u>	<u>28,571,759</u>	<u>74,198,482</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	18,866,019	-	18,866,019
Resources Related to Pensions	1,711,843	184,661	1,896,504
Total Deferred Inflows of Resources	<u>20,577,862</u>	<u>184,661</u>	<u>20,762,523</u>
NET POSITION			
Net Investment in Capital Assets	213,258,424	94,420,764	307,679,188
Restricted For:			
Capital Improvements and Equipment	7,935,287	5,516,762	13,452,049
Debt Service	3,063,292	2,907,386	5,970,678
Arts and Cultural Development	10,286	-	10,286
Public Safety	95,102	-	95,102
Unrestricted	42,934,056	19,649,500	62,583,556
Total Net Position	<u>\$ 267,296,447</u>	<u>\$ 122,494,412</u>	<u>\$ 389,790,859</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN
Statement of Activities
For the Year Ended June 30, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government							
Governmental:							
General Government	\$ 18,395,535	\$ 4,704,833	\$ 17,785	\$ -	\$ (13,672,917)	\$ -	\$ (13,672,917)
Community Services	1,263,211	50,104	44,032	-	(1,169,075)	-	(1,169,075)
Development Services	3,626,463	3,635,389	148,475	-	157,401	-	157,401
Public Works	14,564,901	2,672,510	1,978,414	18,803,409	8,889,432	-	8,889,432
Recreation	2,146,638	1,796,106	-	-	(350,532)	-	(350,532)
Public Safety	11,515,459	1,325,863	134,560	-	(10,055,036)	-	(10,055,036)
Interest on Long-Term Debt	1,250,915	-	-	-	(1,250,915)	-	(1,250,915)
Total Governmental Activities	52,763,122	14,184,805	2,323,266	18,803,409	(17,451,642)	-	(17,451,642)
Business-Type:							
Water	15,267,223	18,087,734	-	3,689,351	-	6,509,862	6,509,862
Sanitation	2,602,360	3,196,587	-	-	-	594,227	594,227
Mulligans	997,913	1,283,966	-	-	-	286,053	286,053
Total Business-Type Activities	18,867,496	22,568,287	-	3,689,351	-	7,390,142	7,390,142
Total Primary Government	71,630,618	36,753,092	2,323,266	22,492,760	(17,451,642)	7,390,142	(10,061,500)
General Revenues:							
Property Taxes					21,700,883	-	21,700,883
Sales and Use Tax					10,909,154	-	10,909,154
Energy Sales and Use Tax					3,567,464	-	3,567,464
Other Taxes					1,138,852	-	1,138,852
Gain on Disposition of Capital Assets					323,617	-	323,617
Unrestricted Investment Earnings					388,660	-	388,660
Transfers					4,909	(4,909)	-
Total General Revenues and Transfers					38,033,539	(4,909)	38,028,630
Change in Net Position					20,581,897	7,385,233	27,967,130
Net Position - Beginning, as Previously Reported					252,819,599	115,615,408	368,435,007
Adjustment for Net Pension Liability (Note 15)					(6,105,049)	(506,229)	(6,611,278)
Net Position - Beginning as Adjusted					246,714,550	115,109,179	361,823,729
Net Position - Ending					\$ 267,296,447	\$ 122,494,412	\$ 389,790,859

The notes to the basic financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

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

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.

Capital Projects Fund

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

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 96.



CITY OF SOUTH JORDAN

Balance Sheet

Governmental Funds

June 30, 2015

	General	RDA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 10,183,391	\$ 12,899,076	\$ 27,279,992	\$ 6,517,115	\$ 56,879,574
Restricted Cash	58,523	398,285	-	2,665,007	3,121,815
Receivables	11,807,554	10,273,001	29,009	2,261,666	24,371,230
Inventories	56,095	-	-	-	56,095
Prepaid Items	471,209	-	-	-	471,209
Due From Other Funds	-	-	3,966,825	8,257	3,975,082
Total Assets	<u>\$ 22,576,772</u>	<u>\$ 23,570,362</u>	<u>\$ 31,275,826</u>	<u>\$ 11,452,045</u>	<u>\$ 88,875,005</u>
LIABILITIES					
Accounts Payable and Accrued Liabilities	1,533,359	21,088	520,731	177,337	2,252,515
Construction Bonds and Refunds	4,912,772	-	-	-	4,912,772
Due to Other Funds	-	-	-	8,257	8,257
Total Liabilities	<u>6,446,131</u>	<u>21,088</u>	<u>520,731</u>	<u>185,594</u>	<u>7,173,544</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes	8,650,859	10,273,000	-	-	18,923,859
Unavailable Revenue - Special Assessments	-	-	-	1,957,000	1,957,000
	<u>8,650,859</u>	<u>10,273,000</u>	<u>-</u>	<u>1,957,000</u>	<u>20,880,859</u>
FUND BALANCES					
Nonspendable	527,304	-	3,932,631	-	4,459,935
Restricted	163,911	398,285	7,876,764	2,665,007	11,103,967
Committed	-	-	-	-	-
Assigned	-	12,877,989	18,945,700	6,644,444	38,468,133
Unassigned	6,788,567	-	-	-	6,788,567
Total Fund Balances	<u>7,479,782</u>	<u>13,276,274</u>	<u>30,755,095</u>	<u>9,309,451</u>	<u>60,820,602</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,576,772</u>	<u>\$ 23,570,362</u>	<u>\$ 31,275,826</u>	<u>\$ 11,452,045</u>	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources.	242,271,098
Other long-term assets and deferred outflows of resources are not available to pay for current expenditures.	2,552,413
Long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period.	(37,982,725)
Deferred inflows and outflows of resources related to pensions are not applicable to the current period.	(364,941)
Net assets of governmental activities	<u>\$ 267,296,447</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2015

	General	RDA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 25,240,903	\$ 12,162,101	\$ -	\$ -	\$ 37,403,004
Licenses and Permits	2,947,782	-	-	-	2,947,782
Intergovernmental	1,982,302	-	3,250	148,475	2,134,027
Charges for Services	5,276,876	-	-	4,089,386	9,366,262
Fines and Forfeitures	902,968	-	-	-	902,968
Special Assessments	-	-	-	651,909	651,909
Interest	207,881	84,942	52,994	42,843	388,660
Impact Fees	-	-	3,008,561	-	3,008,561
Miscellaneous	491,738	-	1,325,870	153,190	1,970,798
Total Revenues	<u>37,050,450</u>	<u>12,247,043</u>	<u>4,390,675</u>	<u>5,085,803</u>	<u>58,773,971</u>
EXPENDITURES					
Current					
General Government	8,564,967	403,229	246,780	21,350	9,236,326
Community Services	1,165,684	-	-	-	1,165,684
Development Services	3,521,605	-	-	52,163	3,573,768
Public Works	6,380,786	-	588,596	1,035,278	8,004,660
Recreation	-	-	-	1,606,161	1,606,161
Public Safety	10,857,414	-	184,937	-	11,042,351
Tax Increment Distributions	-	7,830,105	-	-	7,830,105
Capital Outlay and Projects	1,537,556	1,000,056	3,818,794	306,398	6,662,804
Debt Service					
Principal	220,772	937,000	-	1,771,660	2,929,432
Interest and Fees	4,935	270,798	-	973,662	1,249,395
Total Expenditures	<u>32,253,719</u>	<u>10,441,188</u>	<u>4,839,107</u>	<u>5,766,672</u>	<u>53,300,686</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>4,796,731</u>	<u>1,805,855</u>	<u>(448,432)</u>	<u>(680,869)</u>	<u>5,473,285</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	8,818	-	7,648,251	2,324,132	9,981,201
Transfers Out	(5,995,876)	(2,833,808)	(396,074)	(750,534)	(9,976,292)
Capital Lease	1,385,000	-	-	-	1,385,000
Sale of Capital Assets	2,404	-	348,552	3,901	354,857
Total Other Financing Sources (Uses)	<u>(4,599,654)</u>	<u>(2,833,808)</u>	<u>7,600,729</u>	<u>1,577,499</u>	<u>1,744,766</u>
Net Change in Fund Balances	197,077	(1,027,953)	7,152,296	896,630	7,218,050
Fund Balances - July 1	7,282,705	14,304,227	23,602,798	8,412,821	53,602,551
Fund Balances - June 30	<u>\$ 7,479,782</u>	<u>\$ 13,276,274</u>	<u>\$ 30,755,094</u>	<u>\$ 9,309,451</u>	<u>\$ 60,820,601</u>

The notes to the basic financial statements are an integral part of this statement.

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, 2015

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

Net Change in Fund Balance -- Total Governmental Funds	\$ 7,218,050
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 depreciation exceeded capital outlays in the current period.	(2,514,226)
The net effect of various miscellaneous transactions involving capital assets (<i>i.e.</i> , sales, trade-ins, and donations) is to increase net position.	14,589,603
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(691,685)
The Statement of Activities reports net pension expense, benefit expense, and nonemployer contribution revenue from the application of GASB 68 which is not shown in the fund statements.	346,353
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 position. Repayments of bond and capital lease principal are expenditures in the governmental funds but reduce liabilities in the statement of net position.	1,644,103
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>(10,302)</u>
Change in net position of governmental activities	<u><u>\$ 20,581,896</u></u>

The notes to the basic financial statements are an integral part of this statement.

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

MAJOR FUNDS

Water Fund

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

NONMAJOR FUNDS

Nonmajor Funds

Nonmajor proprietary funds are presented by fund type beginning on page 106.



CITY OF SOUTH JORDAN
Statement of Net Position
Proprietary Funds
June 30, 2015

	Water Fund	Nonmajor Proprietary Funds	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 23,398,097	\$ 2,291,628	\$ 25,689,725
Accounts Receivable Net of Allowance	2,958,844	377,377	3,336,221
Inventories	63,162	25,375	88,537
Total Current Assets	<u>26,420,103</u>	<u>2,694,380</u>	<u>29,114,483</u>
Noncurrent Assets			
Restricted Cash	2,907,386	-	2,907,386
Net Pension Asset	182	241	423
Investment in Landfill	-	2,994,143	2,994,143
Capital Assets			
Land	2,117,963	9,956,618	12,074,581
Water Shares	18,961,482	-	18,961,482
Buildings and Structures	1,493,756	699,799	2,193,555
Improvements - Other than Buildings	113,991,812	357,798	114,349,610
Machinery and Equipment	2,102,117	1,564,304	3,666,421
Construction in Progress	6,212,899	-	6,212,899
Less Accumulated Depreciation	<u>(36,196,602)</u>	<u>(1,690,572)</u>	<u>(37,887,174)</u>
Capital Assets (Net of Accum Depreciation)	<u>108,683,427</u>	<u>10,887,947</u>	<u>119,571,374</u>
Total Noncurrent Assets	<u>111,590,995</u>	<u>13,882,331</u>	<u>125,473,326</u>
Total Assets	<u>138,011,098</u>	<u>16,576,711</u>	<u>154,587,809</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	516,498	-	516,498
Resources Related to Pensions	85,579	27,771	113,350
Total Deferred Outflows of Resources	<u>602,077</u>	<u>27,771</u>	<u>629,848</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	1,489,883	273,140	1,763,023
Accrued Liabilities	182,129	22,985	205,114
Interest Payable	191,733	-	191,733
Construction Bonds and Refunds	35,772	-	35,772
Compensated Absences	62,295	16,732	79,027
Bonds Payable	2,250,000	-	2,250,000
Interfund Payable	-	34,194	34,194
Total Current Liabilities	<u>4,211,812</u>	<u>347,051</u>	<u>4,558,863</u>
Noncurrent Liabilities			
Compensated Absences	39,778	7,940	47,718
Bonds and Leases Payable	23,417,108	-	23,417,108
Interfund Payable	-	3,932,631	3,932,631
Net Pension Liability	443,192	139,072	582,264
Total Noncurrent Liabilities	<u>23,900,078</u>	<u>4,079,643</u>	<u>27,979,721</u>
Total Liabilities	<u>28,111,890</u>	<u>4,426,694</u>	<u>32,538,584</u>
DEFERRED INFLOWS OF RESOURCES			
Resources Related to Pensions	140,600	44,061	184,661
NET POSITION			
Net Investment in Capital Assets	83,532,817	10,887,947	94,420,764
Restricted for:			
Capital Improvements	5,516,762	-	5,516,762
Debt Service	2,907,386	-	2,907,386
Unrestricted	18,403,720	1,245,780	19,649,500
Total Net Position	<u>\$ 110,360,685</u>	<u>\$ 12,133,727</u>	<u>\$ 122,494,412</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2015

	Water Fund	Nonmajor Proprietary Funds	Total
OPERATING REVENUES			
Charges for Services			
Operations	\$ 562,700	\$ 4,359,412	\$ 4,922,112
Pledged as Security for Revenue Bonds	17,328,832	-	17,328,832
Miscellaneous	35,000	1,552	36,552
Total Operating Revenues	<u>17,926,532</u>	<u>4,360,964</u>	<u>22,287,496</u>
OPERATING EXPENSES			
Costs of Services	9,356,410	2,865,067	12,221,477
General and Administrative	1,414,684	502,489	1,917,173
Depreciation	3,328,310	112,691	3,441,001
Total Operating Expenses	<u>14,099,404</u>	<u>3,480,247</u>	<u>17,579,651</u>
Operating Income	<u>3,827,128</u>	<u>880,717</u>	<u>4,707,845</u>
NON-OPERATING REVENUES (EXPENSES)			
Increase in Joint Venture	-	106,496	106,496
Interest	161,202	13,093	174,295
Gain on Sale of Capital Assets	21,432	-	21,432
Interest and Fees	(1,189,251)	(120,026)	(1,309,277)
Total Non-Operating Revenue (Expenses)	<u>(1,006,617)</u>	<u>(437)</u>	<u>(1,007,054)</u>
Income Before Contributions and Transfers	<u>2,820,511</u>	<u>880,280</u>	<u>3,700,791</u>
CONTRIBUTIONS AND TRANSFERS			
Capital Contributions, Impact Fees and Other	3,689,351	-	3,689,351
Transfers Out	(4,168)	(741)	(4,909)
Total Contributions and Transfers	<u>3,685,183</u>	<u>(741)</u>	<u>3,684,442</u>
Change in Net Position	6,505,694	879,539	7,385,233
Net Position - Beginning, as Previously Reported	104,233,993	11,381,415	115,615,408
Adjustment for Net Pension Liability (Note 15)	(379,002)	(127,227)	(506,229)
Net Position - Beginning, as Adjusted	<u>103,854,991</u>	<u>11,254,188</u>	<u>115,109,179</u>
Net Position - Ending	<u>\$ 110,360,685</u>	<u>\$ 12,133,727</u>	<u>\$ 122,494,412</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN

Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2015

	Water Fund	Proprietary Nonmajor Funds	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 17,781,879	\$ 4,355,535	\$ 22,137,414
Payments to Suppliers	(7,845,604)	(2,298,532)	(10,144,136)
Interfund Services	(1,414,684)	(535,715)	(1,950,399)
Payments to Employees	(1,383,336)	(594,740)	(1,978,076)
Net Cash Provided by Operating Activities	<u>7,138,255</u>	<u>926,548</u>	<u>8,064,803</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	(4,168)	(741)	(4,909)
Net Cash Used by Noncapital Financing Activities	<u>(4,168)</u>	<u>(741)</u>	<u>(4,909)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Impact Fees	1,679,010	-	1,679,010
Purchase of Capital Assets	(1,524,216)	-	(1,524,216)
Proceeds From Interfund Loan	-	3,928,189	3,928,189
Principal Paid on Capital Debt	(2,125,000)	(4,894,099)	(7,019,099)
Interest Paid on Capital Debt	(1,203,522)	(228,456)	(1,431,978)
Proceeds From Sale of Capital Assets	21,432	60,329	81,761
Net Cash Used by Capital and Related Financing Activities	<u>(3,152,296)</u>	<u>(1,134,037)</u>	<u>(4,286,333)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	161,202	13,095	174,297
Net Increase (Decrease) in Cash and Cash Equivalents	<u>4,142,993</u>	<u>(195,135)</u>	<u>3,947,858</u>
Cash and Cash Equivalents - Beginning of Year	22,162,490	2,486,763	24,649,253
Cash and Cash Equivalents - End of Year	<u>\$ 26,305,483</u>	<u>\$ 2,291,628</u>	<u>\$ 28,597,111</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income	<u>\$ 3,827,128</u>	<u>\$ 880,717</u>	<u>\$ 4,707,845</u>
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	3,328,310	112,691	3,441,001
(Increase) Decrease in Receivables	(188,884)	(6,283)	(195,167)
(Increase) Decrease in Inventory	(13,650)	(8,082)	(21,732)
(Increase) Decrease in Net Pension Asset	(182)	(241)	(423)
(Increase) Decrease in Deferred Outflows Related to Pensions	(37,805)	(8,903)	(46,708)
Increase (Decrease) in Accounts Payable	3,895	(78,715)	(74,820)
Increase (Decrease) in Accrued Liabilities	41,695	105	41,800
Increase (Decrease) in Accrued Vacation and Sick Leave	20,732	(1,779)	18,953
Increase (Decrease) in Net Pension Liability	16,416	(7,023)	9,393
Increase (Decrease) in Deferred Inflows Related to Pensions	140,600	44,061	184,661
Total Adjustments	<u>3,311,127</u>	<u>45,831</u>	<u>3,356,958</u>
Net Cash Provided by Operating Activities	<u>\$ 7,138,255</u>	<u>\$ 926,548</u>	<u>\$ 8,064,803</u>
Noncash Investing, Capital, and Financing Activities:			
Contributions of Capital Assets From Developers	\$ 2,010,341	\$ -	\$ 2,010,341
Increase in Equity Investment in Trans-Jordan Landfill	-	106,496	106,496

The notes to the basic financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Agency Fund

This fund is used to account for the activities of the Metro Fire Testing Consortium, which was created to enhance efficiencies between member agencies and applicants for the positions of entry-level firefighter EMT, AEMT, firefighter paramedic, and paramedic.



CITY OF SOUTH JORDAN
Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2015

	Agency Fund
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 2,693
Total Assets	<u>\$ 2,693</u>
LIABILITIES	
Due to Other Governments	2,693
Total Liabilities	<u>\$ 2,693</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF SOUTH JORDAN

Agency Fund

Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 10,104	\$ 7,411	\$ 2,693
Total Assets	<u>\$ -</u>	<u>\$ 10,104</u>	<u>\$ 7,411</u>	<u>\$ 2,693</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	-	7,411	7,411	-
Due to Other Governments	-	2,693	-	2,693
Total Liabilities	<u>\$ -</u>	<u>\$ 10,104</u>	<u>\$ 7,411</u>	<u>\$ 2,693</u>

The notes to the basic financial statements are an integral part of this statement.

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Notes to the Financial Statements

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). 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. The Chief Financial Officer/Budget Officer 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, 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, as amended. The primary criterion for including a board or an 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, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The 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.

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 because the governing board in each case is the same governing board of the City. In addition, the primary government has operational responsibility for both the Municipal Building Authority and the Redevelopment Agency. There is also a direct financial benefit/burden relationship between the Municipal Building Authority and the Redevelopment Agency with the primary government.

The Municipal Building Authority is presented as a debt service fund in the financial statements, 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 or online at www.sjc.utah.gov.

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

City of South Jordan 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 position and the statement of activities) 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, if any, 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 is 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.

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 accrual 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 the amount is 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 *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 *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 funds).

The government reports the following major proprietary fund:

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

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 account 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.

The *Agency Fund* accounts for fire employment testing fees collected and expended for the Metro Fire Testing Consortium (MFTC).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. 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.

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

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments.

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

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 or 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 Net Position

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

Restricted net position represents resources that are subject to external restrictions on how they may be used. Of the \$19,528,115 reported as restricted net position in the

statement of net position, \$13,393,526 is restricted due to enabling legislation (\$7,876,764 for governmental activities and \$5,516,762 for business-type activities).

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 value at the date of donation.

The costs of normal maintenance and repairs that do not add to the functionality 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 cost of the assets constructed.

Property, plant, and equipment of the primary government are 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net position that applies to a future period(s) and so *will not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category – a deferred charge on refunding and resources related to pensions, both of which are reported in the government-wide

statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions results from the difference between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net position that applies to a future period(s) and so *will not* be recognized as an inflow of resources (revenue) until that time. The City has one item, *deferred revenue*, which qualifies for reporting in this category on both the government-wide statement of net position and governmental funds balance sheet. Both statements report unavailable revenue due to property taxes, while the governmental funds balance sheet also reports unavailable revenue due to special assessments. In addition, the statement of net position reports *resources related to pensions*, which relates to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

7. 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 320 hours (number of hours carried forward depends on years of service and hire date) and all sick leave but are encouraged to take their vacation leave within the calendar year in which it is earned. 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 and proprietary 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.

8. 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 a deferred inflow.

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.

9. 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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.

10. Fund Balance

The City implemented GASB Statement 54, *Fund Balance Reporting in Governmental Fund Types Definitions*, in fiscal year 2011. The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports 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, long-term receivables, and prepaid expenditures.

- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service, impact fees, unspent capital lease proceeds, grant revenue, police forfeiture money, and liquor allotment from the state of Utah.
- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City currently has no items in this category.
- **Assigned.** This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Chief Financial Officer/Budget Officer. Also included are all remaining amounts that are reported in governmental funds, other than the general fund, that are not classified as nonspendable, restricted, or committed or in the general fund that are intended to be used for specific purposes. The City currently has no assigned fund balance in the general fund.
- **Unassigned.** Residual balances in the general fund are classified as unassigned.

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

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code § 10-6-116(4) which requires a minimum fund balance of 5 percent of total revenues to be maintained in the general fund. For fiscal year 2015, this amount is \$1,852,523.

Below is fund balance detail for each category of fund balances in the governmental funds:

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

FUND BALANCES	General	RDA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Inventory	\$ 56,095	\$ -	\$ -	\$ -	\$ 56,095
Prepaid Items	471,209	-	-	-	471,209
Long-term Note Receivable	-	-	3,932,631	-	3,932,631
Restricted					
Debt Service	-	398,285	-	2,665,007	3,063,292
Unspent Capital Lease Proceeds	58,523	-	-	-	58,523
Impact Fees	-	-	6,912,302	-	6,912,302
Arts and Cultural Development Grants	10,286	-	-	-	10,286
Public Safety Forfeiture	2,363	-	-	-	2,363
Liquor Allotment	92,739	-	-	-	92,739
2700 W State Transportation Funding	-	-	964,462	-	964,462
Assigned					
Debt Service	-	-	-	3,817	3,817
RDA	-	12,877,989	-	-	12,877,989
Capital Projects	-	-	18,945,700	-	18,945,700
Storm Drain Projects	-	-	-	4,723,597	4,723,597
Fitness Center	-	-	-	1,571,467	1,571,467
MBA	-	-	-	345,563	345,563
Unassigned					
	6,788,567	-	-	-	6,788,567
Total Fund Balances	\$ 7,479,782	\$ 13,276,274	\$ 30,755,095	\$ 9,309,451	\$ 60,820,602

11. 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.

12. Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS' fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 Position

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

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

Capital related items:

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

Cost of capital assets	\$342,764,321
Accumulated depreciation	<u>(100,493,223)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$242,271,098</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 position.

Bonds payable	\$ 27,846,000
Deferred refunding bond reacquisition costs (to be amortized over life of original debt)	(478,711)

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Bond premium (to be amortized to interest income)	188,341
Accrued interest payable	415,674
Capital lease payable	1,683,443
Compensated absences	1,635,279
Claims and judgments	761,370
Net Pension Liability	<u>5,931,329</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 37,982,725</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 position, the charges were reported as revenue when earned.

Special assessments	\$ 1,957,000
Delinquent property taxes	57,840
Net pension asset	<u>537,573</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 2,552,413</u>

Deferred Inflows and Outflows Related to Pensions:

Deferred inflows and outflows related to the City's net pension asset and net pension liability represent acquisition and consumption of net position that are not applicable in the current period, and therefore not reported in the governmental funds balance sheet. However, these deferred inflows and outflows are reported in the statement of net position.

Deferred outflows related to pensions	(\$1,346,902)
Deferred inflows related to pensions	<u>1,711,843</u>
Net adjustment to decrease <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>\$ 364,941</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 position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$5,432,784
Depreciation expense	<u>(7,947,010)</u>
 Net adjustment to decrease <i>net changes in fund balances- total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u>(\$2,514,226)</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 position.”

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	(\$ 36,749)
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Capital assets donated by outside parties are recorded as revenues in the statement of activities, thus net position increases by the value of the donated assets.	<u>14,626,352</u>
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Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$14,589,603</u>
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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

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 shown as a deferred inflow of resources in the funds.

However, in the statement of activities revenue is reported when earned. Thus, the change is to reduce revenue by the amount of the previously reported revenue and to increase revenue by the amount of accrued revenue.

Special assessments	(\$ 605,000)
Delinquent property taxes	<u>(86,685)</u>
Net adjustments	<u>(\$ 691,685)</u>

Another element of that reconciliation states that “The Statement of Activities reports net pension expense, benefit expense, and nonemployer contribution revenue from the application of GASB 68 which is not shown in the fund statements.”

Net pension expense	(\$2,167,386)
Benefit expense	2,205,918
Nonemployer contributions (fire premium tax or court fees)	<u>307,821</u>
Net adjustments	<u>\$ 346,353</u>

Another element of that reconciliation states that “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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:	
Capital Lease	(\$1,385,000)
Deferred refunding costs amortization	<u>(49,138)</u>
Total debt incurred	<u>(1,434,138)</u>

Principal payments:	
Capital leases	\$ 317,402
MBA revenue bonds	540,000
Sales tax refunding bonds	55,000

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Special assessment refunding bonds	605,000
Redevelopment agency bonds	937,000
Sales tax bonds	475,000
Claims and judgments	127,402
Bond premium amortization	<u>21,437</u>
Total principal payments	<u>\$3,078,241</u>

Net adjustments to increase *net changes in fund balances-total governmental funds* to arrive at *changes in net position of governmental activities* \$1,644,103

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	(\$ 36,513)
Accrued interest	<u>26,211</u>

Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities* (\$ 10,302)

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 the 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 Chief Financial Officer/Budget Officer submits a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

- 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 Chief Financial Officer/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 do not carry over to the following year and are subject to re-appropriation. Therefore, no encumbrances are presented in the financial statements.

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

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2015, the City's cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash	\$1,226,832
Cash Equivalents and Investments	<u>87,374,364</u>
Total Cash and Cash Equivalents	<u>\$88,601,196</u>

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While the City’s carrying amount of deposits was \$88,601,196 the balance in the City’s bank account and cash on hand was \$88,755,875, 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 Utah 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 of June 30, 2015, the deposits are as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2015</u>
Checking and Cash on Hand	Insured	\$ 31,949
Investment Sweep	Insured	165,572
Investment Sweep	Uninsured and Uncollateralized	<u>1,183,989</u>
Total Deposits		<u>\$ 1,381,510</u>

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments. The entire \$87,374,364 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.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Utah Money Management Act. The Act 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

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depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Service or Standard & Poor’s; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political 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, 2015:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More Than 10	
Collateralized Money					
Market	\$ 336,280	\$ -	\$ -	\$ -	AAA
Money Market	1,016,688	-	-	-	Unrated
Utah Public Treasurer's Investment Fund	63,018,745	-	-	-	Unrated
US Government or US Agencies	-	16,352,093	249,972	-	AAA
Corporate Notes	4,056,957	2,343,629	-	-	A+ to A-
Total Investments	\$ 68,428,670	\$ 18,695,722	\$ 249,972	\$ -	

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 exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City’s investments are noted above.

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Notes to the Financial Statements
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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 2 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 funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>RDA</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Water</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
Receivables:							
Accounts	\$ 217,685	\$ -	\$ 29,009	\$ 289,118	\$ 2,981,949	\$ 380,834	\$ 3,898,595
Property Tax	8,779,081	10,273,001	-	-	-	-	19,052,082
Other Taxes	2,434,476	-	-	-	-	-	2,434,476
Intergovernmental	376,312	-	-	17,265	-	-	393,577
Special							
Assessments	-	-	-	1,957,000	-	-	1,957,000
Less: Allowance for Uncollectible Accounts	-	-	-	(1,717)	(23,105)	(3,457)	(28,279)
	<u>\$ 11,807,554</u>	<u>\$ 10,273,001</u>	<u>\$ 29,009</u>	<u>\$ 2,261,666</u>	<u>\$ 2,958,844</u>	<u>\$ 377,377</u>	<u>\$ 27,707,451</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers:

	Transfer Out					Total
	General	RDA	Capital Projects	Nonmajor Govrnmtl.	Business-Type	
Transfer In:						
General	\$ -	\$ 19	\$ -	\$ 3,890	\$ 4,909	\$ 8,818
Capital Projects	5,557,450	1,344,157	-	746,644	-	7,648,251
Nonmajor Govtl.	438,426	1,489,632	396,074	-	-	2,324,132
Total Transfer Out	<u>\$5,995,876</u>	<u>\$2,833,808</u>	<u>\$396,074</u>	<u>\$750,534</u>	<u>\$ 4,909</u>	<u>\$9,981,201</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 capital projects fund and risk management charges in the general fund.

Interfund Receivables / Payables

During fiscal year 2012, Mulligans acquired a note with the capital projects 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 3.4 percent. During fiscal year 2014, Mulligans acquired another note with the capital projects fund in the amount of \$24,643 to purchase equipment. This note carries an interest rate of 2.0 percent and will be repaid with annual principal and interest payments through July 2018. Another note totaling \$3,928,189 was acquired from the capital projects fund during fiscal year 2015 to pay off the 2015 MBA Lease Revenue and Refunding Bonds. The note carries a zero percent interest rate and annual minimum principal payments of \$20,000 per Resolution R2015-19. The resolution states that additional repayment amounts above the minimum will be determined during the City’s annual budgeting and approval process.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
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NOTE 7 – CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 60,364,910	\$ 4,912,321	\$ 28,093	\$ 65,249,138
Land Right of Way	8,216,956	-	-	8,216,956
Construction in Progress	5,866,959	1,251,122	1,294,378	5,823,703
Total capital assets not being depreciated	<u>74,448,825</u>	<u>6,163,443</u>	<u>1,322,471</u>	<u>79,289,797</u>
Capital assets being depreciated:				
Buildings	28,171,824	-	-	28,171,824
Improvements	206,415,430	13,210,720	-	219,626,150
Machinery and Equipment	15,061,903	1,979,349	1,364,702	15,676,550
Total capital assets being depreciated	<u>249,649,157</u>	<u>15,190,069</u>	<u>1,364,702</u>	<u>263,474,524</u>
Less accumulated depreciation for:				
Buildings	9,722,557	873,224	-	10,595,781
Improvements	73,398,309	6,059,095	-	79,457,404
Machinery and Equipment	10,781,393	1,014,691	1,356,046	10,440,038
Total accumulated depreciation	<u>93,902,259</u>	<u>7,947,010</u>	<u>1,356,046</u>	<u>100,493,223</u>
Total capital assets, being depreciated, net	<u>155,746,898</u>	<u>7,243,059</u>	<u>8,656</u>	<u>162,981,301</u>
Governmental activities capital assets, net	<u>\$ 230,195,723</u>	<u>\$ 13,406,502</u>	<u>\$ 1,331,127</u>	<u>\$ 242,271,098</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 12,134,910	\$ -	\$ 60,329	\$ 12,074,581
Construction in Progress	5,029,507	1,346,790	163,398	6,212,899
Water Shares	18,961,482	-	-	18,961,482
Total capital assets not being depreciated	<u>36,125,899</u>	<u>1,346,790</u>	<u>223,727</u>	<u>37,248,962</u>
Capital assets being depreciated:				
Buildings	2,193,557	-	-	2,193,557
Improvements	112,157,813	2,191,801	-	114,349,614
Machinery and Equipment	3,572,856	159,368	65,805	3,666,419
Total capital assets being depreciated	<u>117,924,226</u>	<u>2,351,169</u>	<u>65,805</u>	<u>120,209,590</u>
Less accumulated depreciation for:				
Buildings	1,040,420	85,483	-	1,125,903
Improvements	31,172,623	3,168,687	-	34,341,310
Machinery and Equipment	2,298,939	186,831	65,805	2,419,965
Total accumulated depreciation	<u>34,511,982</u>	<u>3,441,001</u>	<u>65,805</u>	<u>37,887,178</u>
Total capital assets, being depreciated, net	<u>83,412,244</u>	<u>(1,089,832)</u>	<u>-</u>	<u>82,322,412</u>
Business-type activities capital assets, net	<u>\$ 119,538,143</u>	<u>\$ 256,958</u>	<u>\$ 223,727</u>	<u>\$ 119,571,374</u>

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

CITY OF SOUTH JORDAN
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Governmental Activities:	
General Government	\$ 503,098
Development Services	19,692
Public Works	6,385,517
Public Safety	505,910
Recreation	490,840
Community Services	41,953
Total Depreciation Expense - Governmental Activities	<u>\$ 7,947,010</u>
Business-Type Activities:	
Water	3,328,310
Mulligans	49,956
Sanitation	62,735
Total Depreciation Expense - Business-Type Activities	<u>3,441,001</u>
Total Depreciation Expense	<u><u>\$ 11,388,011</u></u>

Construction Commitments

The City has various construction projects as of June 30, 2015 with commitments to contractors as follows:

Project	Remaining Commitment
Park Projects	\$ 2,328,747
Storm Drain Projects	126,133
Water Projects	2,148,101
Road Projects	2,543,314
General Projects	1,987,997
Total	<u><u>\$ 9,134,292</u></u>

NOTE 8 - LEASE COMMITMENTS

During fiscal year 2008, the City executed a new lease in the amount of \$610,000 payable in annual installments for 5 years.

During fiscal year 2014, the City executed a new lease in the amount of \$665,000 payable in monthly installments for 3 years.

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During fiscal year 2015, the City executed a new lease in the amount of \$1,385,000 payable in yearly installments over 3 years.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery & Equipment	\$ 4,014,549	\$ 549,147
Less: Accumulated Depreciation	(1,992,026)	(450,583)
Total	<u>\$ 2,022,523</u>	<u>\$ 98,564</u>

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

The present value of future minimum capital lease payments under these leases as of June 30, 2015:

<u>Fiscal Year</u>	<u>Governmental Amount</u>
2016	\$ 696,917
2017	546,446
2018	471,210
Total Minimum Lease Payments	1,714,573
Less: Amounts Representing Interest	(31,130)
Present Value of Minimum Lease Payments	<u>\$ 1,683,443</u>

At June 30, 2015, the City's capital leases payable balance consisted of the following:

	<u>Capital Leases Payable Governmental</u>
Capital Leases Payable	\$ 1,683,443
Current Portion Capital Leases Payable	(680,335)
Long-Term Capital Leases Payable	<u>\$ 1,003,108</u>

The City leases fire apparatuses under noncancelable operating leases. Under the lease, \$183,828 will be due each year from fiscal year 2016 to fiscal year 2022.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
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NOTE 9 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2015, are comprised of the following:

Revenue Bonds:

2006 Sales Tax Revenue Refunding Bonds:

\$9,915,000 Sales Tax Revenue Refunding Bonds due in annual principal payments and semi-annual interest payments through August 2026 - Interest is at a varying rate from 4.00% to 4.25%. \$ 9,510,000

2007 Water Revenue and Refunding Bonds:

\$21,950,000 Water Revenue Refunding Bonds due in annual principal payments and semi-annual interest payments through November 2026 – Interest is at a varying rate from 4.00% to 5.00%. 18,300,000

2005 Municipal Building Authority Lease Revenue and Refunding Bonds:

\$9,505,000 Municipal Authority Lease Revenue Bonds due in annual principal and interest payments through April 2029 – Interest is at a varying rate from 3.00% to 4.00%. This bond was called and paid off during fiscal year 2015 -

2008 Redevelopment Agency Tax Increment Bonds:

\$11,242,000 Redevelopment Agency Tax Increment Bonds due in annual principal and interest payments through April 2020 – Interest is at a rate of 4.395%. 5,179,000

2008 Sales Tax Revenue Bonds:

\$8,115,000 Sales Tax Revenue Bonds due in annual principal and semi-annual interest payments through August 2023 – Interest is at a varying rate from 4.00% to 5.25%. 5,540,000

2009 Water Revenue Bonds:

\$10,025,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through November 2023 – Interest is at a varying rate of 4.00% to 5.00%. 6,775,000

CITY OF SOUTH JORDAN
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June 30, 2015

2011 Municipal Building Authority Lease Revenue and Refunding Bonds:
\$6,880,000 Municipal Building Authority Lease Revenue and
Refunding Bonds due in annual principal and semi-annual
interest payments through October 2023 – Interest is at a varying rate
of 2.00% to 3.375%. \$ 5,660,000

Fiscal Year	Revenue Bonds			
	Governmental		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	2,652,000	1,036,221	2,250,000	1,093,365
2017	2,759,000	924,634	2,330,000	981,334
2018	2,879,000	809,739	2,485,000	864,209
2019	3,010,000	689,090	2,600,000	741,771
2020	3,034,000	561,551	2,750,000	621,459
2021-2025	9,645,000	1,294,716	11,800,000	1,311,402
2026-2030	1,910,000	79,131	860,000	41,325
Total	<u>\$ 25,889,000</u>	<u>\$ 5,395,082</u>	<u>\$ 25,075,000</u>	<u>\$ 5,654,865</u>

The City has pledged sales tax revenue for the 2006 Sales Tax Revenue Refunding Bonds and 2008 Sales Tax Revenue Bonds. The remaining principal and interest payments total \$18,904,964. For the current year, principal and interest paid and total sales tax revenues were \$1,207,472 and \$10,909,154, respectively. It is estimated that annual principal and interest payments on the bonds will require 11 percent of pledged revenues.

The City has pledged water revenue for the 2007 Water Revenue and Refunding Bonds, and the 2009 Water Revenue Bonds. The remaining principal and interest payments total \$30,729,864. For the current year, principal and interest paid and pledged water revenues were \$3,325,521 and \$17,328,832, respectively. It is estimated that annual principal and interest payments on the bonds will require 19 percent of pledged revenues.

The City has also pledged RDA tax increment revenue for the 2008 Redevelopment Agency Tax Increment Bonds. The remaining principal and interest payments total \$5,873,058. For the current year, principal and interest paid and pledged revenues were \$1,205,798 and \$12,162,101, respectively. It is estimated that annual principal and interest payments on the bonds will require 10 percent of pledged revenues.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Special Assessment Bond:

2007 Special Assessment Refunding Bonds:

\$5,770,000 Special Assessment Bonds due in annual principal and interest payments through November 2017 - Interest is at a rate of 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.

1,957,000

Fiscal Year	Special Assessment Bond	
	Governmental	
	Principal	Interest
2016	628,000	75,325
2017	652,000	51,153
2018	677,000	26,058
2019	-	-
2020	-	-
Total	<u>\$ 1,957,000</u>	<u>\$ 152,536</u>

Notes Payable:

Note Payable:

\$761,370 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.

\$ 761,370

The future annual requirements for all outstanding bond and note obligations as of June 30, 2015, are as follows:

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

All Bonds and Notes			
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	6,362,610	2,221,492	8,584,102
2017	6,429,975	1,966,865	8,396,840
2018	6,659,680	1,704,808	8,364,488
2019	5,762,274	1,430,862	7,193,136
2020	5,936,274	1,183,010	7,119,284
2021-2025	21,445,000	2,606,118	24,051,118
2026-2030	2,770,000	120,456	2,890,456
Total	<u>\$ 55,365,814</u>	<u>\$ 11,233,612</u>	<u>\$ 66,599,426</u>

During Fiscal year 2008, 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 net position. The 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, \$15,990,000 of the outstanding principal from these two bonds was considered to be defeased and was removed from the business-type activities column in the statement of net position. As of the balance sheet date \$15,990,000 of the two bonds' original debt has been retired.

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 position. As of the balance sheet date, \$5,240,000 of the bonds' original debt is still outstanding.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Changes in Long-Term Debt

	July 1 2014	Additions	Reductions	June 30 2015	Due in One Year
Governmental Activities:					
Bonds Payable:					
2006 Sales Tax Revenue Refunding Bonds	\$ 9,565,000	\$ -	\$ 55,000	\$ 9,510,000	\$ 630,000
2007 Special Assessment Refunding Bonds	2,562,000	-	605,000	1,957,000	628,000
2008 RDA Tax Increment Bonds	6,116,000	-	937,000	5,179,000	967,000
2008 Sales Tax Revenue Bonds	6,015,000	-	475,000	5,540,000	500,000
2011 MBA Lease Revenue Refunding Bonds	6,200,000	-	540,000	5,660,000	555,000
Unamortized Bond Premium	209,778	-	21,437	188,341	
Total Bonds Payable	30,667,778	-	2,633,437	28,034,341	
Capital Lease	615,845	1,385,000	317,402	1,683,443	680,335
Compensated Absences	1,598,766	447,900	411,387	1,635,279	1,005,198
Claims and Judgments	888,772	137,573	264,975	761,370	152,274
Total Governmental Long-Term Obligations	33,771,161	1,970,473	3,627,201	32,114,433	5,117,807
Business-Type Activities:					
Bonds Payable:					
2007 Water Revenue and Refunding Bonds	19,825,000	-	1,525,000	18,300,000	1,625,000
2005 MBA Lease Revenue Refunding Bonds	4,880,000	-	4,880,000	-	-
2009 Water Revenue Bonds	7,375,000	-	600,000	6,775,000	625,000
Unamortized Bond Premium	705,458	-	113,350	592,108	
Total Bonds Payable	32,785,458	-	7,118,350	25,667,108	
Compensated Absences	107,793	29,026	10,074	126,745	79,027
Total Business-Type Long-Term Obligations	32,893,251	29,026	7,128,424	25,793,853	2,329,027
Total Government-Wide Long-Term Obligations	\$ 66,664,412	\$ 1,999,499	\$ 10,755,625	\$ 57,908,286	\$ 7,446,834

NOTE 10 - RETIREMENT PLAN

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is composed of the following pension trust funds:

- Public Employees Contributory Retirement System (Contributory System) and Firefighters Retirement System (Firefighters System), both of which are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are both multiple employer, cost sharing, public employees, retirement systems.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the Utah State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that may be obtained by writing to the below address or by visiting the website www.urs.org:

Utah Retirement Systems
560 E 200 S
Salt Lake City, UT 84102-2021

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

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Contributory System	Highest 5 Years	30 Years any Age 20 Years Age 60* 10 Years Age 62* 4 Years Age 65	1.25% Per Year to June 1975; 2.0% Per Year July 1975 to Present	Up for 4%
Public Safety System	Highest 3 Years	20 Years Any Age 10 Years Age 60 4 Years Age 65	2.5% Per Year Up to 20 Years; 2.0% Per year Over 20 Years	Up to 2.5% to 4% Depending on the Employer
Firefighters System	Highest 3 Years	20 Years Any Age 10 Years Age 60 4 Years Age 65	2.5% Per Year Up to 20 Years; 2.0% Per Year Over 20 Years	Up to 4%
Tier 2 Public Employees System	Highest 5 Years	35 Years Any Age 20 Years Any Age 60* 10 Years Age 62* 4 Years Age 65	1.5% Per Year All Years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 Years Any Age 20 Years Any Age 60* 10 Years Age 62* 4 Years Age 65	1.5% Per Year All Years	Up to 2.5%

CITY OF SOUTH JORDAN
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* With actuarial reductions

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

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

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
11 – Local Government Division Tier 1	1.000%	5.000%	14.460%
111 – Local Government Division Tier 2	N/A	N/A	8.220%
Public Safety Retirement System			
43 – Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 – Other Division A Contributory Tier 2	N/A	N/A	22.550%
Firefighters System			
31 – Division A Tier 1	1.000%	14.050%	3.820%
Division B Tier 2	N/A	N/A	10.800%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At December 31, 2014, the City reported a net pension asset of \$537,997 and a net pension liability of \$6,513,592:

	Proportionate Share	Net Pension Asset	Net Pension Liability
Contributory System	15.9106976%	\$ -	\$ 4,589,338
Public Safety System	1.5301206%	-	1,924,254
Firefighters System	9.0584805%	516,912	-
Tier 2 Public Employees System	0.2047770%	6,206	-
Tier 2 Public Safety and Firefighter System	1.0058044%	14,879	-
Total Net Pension Asset/Liability		\$ 537,997	\$ 6,513,592

The net pension asset and liability were measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014, and rolled forward using generally accepted actuarial

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

procedures. The proportion of net pension asset and liability was based upon actual historical employer contributions to the plan from census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, the City recognized pension expense of \$2,378,506. At December 31, 2014, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 486	\$ 1,053,747
Changes in Assumptions	-	842,757
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	308,425	-
Contributions Subsequent to the Measurement Date	1,151,342	-
Total	\$ 1,460,253	\$ 1,896,504

\$1,151,342 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2015	\$ (904,508)
2016	(343,347)
2017	(114,137)
2018	(40,891)
2019	(60,448)
Thereafter	(124,256)

Actuarial Assumptions. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2015

- Inflation 2.75 percent
- Salary Increases 3.50 – 10.50 percent, average, including inflation
- Investment Rate of Return 7.50 percent, net of pension plan investment expense, Including inflation

Active member mortality rates are a function of the member’s gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below:

RETIRED MEMBER MORTALITY

Class of Member

EDUCATORS

Men EDUM (90%)

Women EDUF (100%)

PUBLIC SAFETY AND FIREFIGHTERS

Men RP 2000mWC (100%)

Women EDUF (120%)

LOCAL GOVERNMENT, PUBLIC EMPLOYEES

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five-year period of January 1, 2008 to December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity Securities	40.00%	7.06%	2.82%
Debt Securities	20.00%	80.00%	0.16%
Real Assets	13.00%	5.10%	0.66%
Private Equity	9.00%	11.30%	1.02%
Absolute Return	18.00%	3.15%	0.57%
Cash and Cash Equivalents	0.00%	0.00%	0.00%
Totals	100.00%		5.23%
	Inflation		2.75%
	Expected Arithmetic Nominal Return		7.98%

The 7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent and a real return of 4.75 percent that is net of investment expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate. The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as the proportionate share of the net pension liability if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate Share of:			
Net Pension (Asset)/Liability	\$19,733,924	\$5,975,595	(\$5,418,729)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

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 effect 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, 2015, the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$12,162,101
Tax increment distributions	7,830,105

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

Outstanding loans to finance RDA projects	5,179,000
Amounts expended for installation of capital improvements, other public improvements, and housing donations	1,000,056
Amounts expended for administrative costs	403,229

NOTE 14 - 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.

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, 2015, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees & Charges for Ten Preceding Years</u>	<u>Percent</u>
Draper City	\$ 2,074,320	10.25%
Midvale City	1,044,003	5.16%
Murray City	1,704,094	8.42%
Riverton City	2,176,687	10.75%
Sandy City	6,062,307	29.95%
South Jordan City	2,787,548	13.77%
West Jordan City	4,392,531	21.70%
	<u>\$ 20,241,490</u>	<u>100.00%</u>

B. Management

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2015

C. Financial Summary

	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	\$ 25,479,329	\$ 3,508,504
Total Deferred Outflows of Resources	135,656	18,680
Total Liabilities	3,793,275	522,334
Total Deferred Inflows of Resources	77,752	10,706
 Total Net Position	 <u>\$ 21,743,958</u>	 <u>\$ 2,994,143</u>
 Total Operating Revenues	 \$ 6,855,206	 \$ 943,962
Total Operating Expenses	6,561,060	903,458
Net Operating Income	294,146	40,504
Total Non-Operating Income (Expense)	626,076	86,211
Change in Net Position	<u>\$ 920,222</u>	<u>\$ 126,715</u>

D. Long-Term Liability

The joint venture has the following long-term liability:

	<u>Total Amount</u>	<u>South Jordan City's Share</u>
Closure and Post-Closure Liability	<u>\$ 2,728,051</u>	<u>\$ 375,653</u>

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

NOTE 15 – RESTATEMENT OF NET POSITION

Adoption of Accounting Standard

During fiscal year ended June 30, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Also implemented were amendments to GASB statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, along with GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. In accordance with the standard, the City recorded its portion of the Utah Retirement Systems' unfunded net pension liability and net pension asset. The City has also implemented the required footnote disclosures as Note 10, Retirement Plan, in this report. Additionally, the financial statements include two new schedules as part of Required Supplementary Information: The Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions.

Beginning net position was reduced by \$6,105,049 for governmental activities and \$506,229 for business-type activities. The effect on the balances for the fiscal year 2014 financial statements, including the effect of its change in net position, have not been disclosed as the information to determine those effects is not available.

NOTE 16 – TRANSFER OF PERMANENT FUND

Effective July 1, 2014, the City's cemetery was no longer reported as a permanent fund. Per Resolution 2014-57, cemetery operations are now reported in the general fund. The cemetery perpetual care fund was transferred to the capital projects fund to be used exclusively for cemetery improvements.

NOTE 17 – SUBSEQUENT EVENTS

Equipment Capital Lease

In July 2016 the City executed a new equipment capital lease in the amount of \$970,000 payable in annual installments over 3 years.

Bond Issuance

On December 8, 2015, the City's Redevelopment Agency issued \$13,035,000 in Series 2015 Subordinate Sales Tax and Tax Increment Revenue Bonds. Interest rates range from 3.00 to 5.00 percent, with the bonds maturing in April 2032. The Bonds were issued to finance a portion of the costs associated with the acquisition of property and related improvements within one of the City's redevelopment project areas and pay costs of issuance of the bonds.

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, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Taxes				
Property Tax - Current	\$ 7,715,669	\$ 8,990,000	\$ 8,746,758	\$ (243,242)
Property Tax - Delinquent	210,000	210,000	203,560	(6,440)
Motor Vehicle Tax	640,496	640,496	667,860	27,364
Sales and Use Tax	10,150,000	10,314,198	10,909,154	594,956
Penalties and Interest	13,000	13,000	7,255	(5,745)
Telecommunications Tax	840,000	840,000	739,525	(100,475)
Energy Sales and Use Tax	3,000,000	3,000,000	3,567,464	567,464
Cable TV Franchise Tax	220,000	220,000	330,652	110,652
Transient Room Tax	35,000	35,000	68,675	33,675
Total Taxes	<u>22,824,165</u>	<u>24,262,694</u>	<u>25,240,903</u>	<u>978,209</u>
Licenses and Permits				
Building Permits	1,700,000	1,700,000	2,124,863	424,863
Business Licenses	170,000	170,000	210,223	40,223
Solid Waste License Fee	40,000	40,000	65,823	25,823
Miscellaneous	419,000	419,000	546,873	127,873
Total Licenses and Permits	<u>2,329,000</u>	<u>2,329,000</u>	<u>2,947,782</u>	<u>618,782</u>
Intergovernmental Revenues				
Federal Grants	60,000	84,465	81,972	(2,493)
State Grants	-	7,563	19,063	11,500
County Grants	-	16,500	16,500	-
Class "C" Road Allotment	1,775,000	1,775,000	1,817,790	42,790
Liquor Fund Allotment	40,000	40,000	46,977	6,977
Total Intergovernmental Revenues	<u>1,875,000</u>	<u>1,923,528</u>	<u>1,982,302</u>	<u>58,774</u>
Charges for Services				
Ambulance Fees	860,000	932,755	1,224,675	291,920
Engineering Fees	110,000	110,000	294,406	184,406
Plan Check Fees	450,000	450,000	504,814	54,814
Zoning and Subdivision Fees	95,000	95,000	170,456	75,456
General Public Sanitation	227,000	227,000	250,013	23,013
Cemetery Fees	119,584	159,309	255,459	96,150
Other Services	2,425,785	2,443,193	2,577,053	133,860
Total Charges for Services	<u>4,287,369</u>	<u>4,417,257</u>	<u>5,276,876</u>	<u>859,619</u>
Fines and Forfeitures	<u>832,080</u>	<u>832,080</u>	<u>902,968</u>	<u>70,888</u>
Miscellaneous Revenue				
Investment Earnings	114,000	114,000	207,881	93,881
Sundry Revenue	353,000	470,416	491,738	21,322
Total Miscellaneous Revenue	<u>467,000</u>	<u>584,416</u>	<u>699,619</u>	<u>115,203</u>
Total Revenue	<u>32,614,614</u>	<u>34,348,975</u>	<u>37,050,450</u>	<u>2,701,475</u>

The notes to the required supplementary information are an integral part of this schedule.

(Continued)

CITY OF SOUTH JORDAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
EXPENDITURES				
Current:				
General Government				
General Administration	\$ 1,569,734	\$ 1,425,236	\$ 1,418,069	\$ 7,167
Finance	1,433,381	1,376,312	1,376,312	-
City Commerce & City Recorder	577,624	542,799	413,257	129,542
Office of the City Attorney	880,531	866,031	827,587	38,444
Total General Government	<u>4,461,270</u>	<u>4,210,378</u>	<u>4,035,225</u>	<u>175,153</u>
Administrative Services				
Administration & Information Center	643,366	755,520	724,217	31,303
Risk Management	567,178	630,879	620,311	10,568
Facilities	1,066,081	1,068,581	1,068,581	-
Community Services	1,209,204	1,257,473	1,165,684	91,789
Total Administrative Services	<u>3,485,829</u>	<u>3,712,453</u>	<u>3,578,793</u>	<u>133,660</u>
Office of the Chief of Staff				
Administration & Human Resources	572,666	715,995	640,827	75,168
Information Services	1,021,008	1,043,008	1,020,497	22,511
Justice Court	465,118	483,118	455,309	27,809
Total Office of the Chief of Staff	<u>2,058,792</u>	<u>2,242,121</u>	<u>2,116,633</u>	<u>125,488</u>
Development Services				
Planning	551,775	602,644	587,143	15,501
Engineering	1,902,188	1,770,724	1,678,304	92,420
Building	1,324,727	1,330,004	1,256,158	73,846
Total Development Services	<u>3,778,690</u>	<u>3,703,372</u>	<u>3,521,605</u>	<u>181,767</u>
Public Works				
Administration	596,732	514,732	478,700	36,032
Streets	2,768,390	2,774,589	2,657,157	117,432
Fleet	1,017,957	1,058,907	998,881	60,026
Parks & Cemetery	2,103,404	2,177,954	2,127,771	50,183
Street Lighting	157,421	160,921	118,277	42,644
Total Public Works	<u>6,643,904</u>	<u>6,687,103</u>	<u>6,380,786</u>	<u>306,317</u>
Public Safety				
Police & Animal Control	6,070,167	6,235,365	5,885,604	349,761
Fire	4,945,341	5,149,467	4,971,810	177,657
Total Public Safety	<u>11,015,508</u>	<u>11,384,832</u>	<u>10,857,414</u>	<u>527,418</u>
Debt Service				
Principal	1,031,013	847,186	220,772	626,414
Interest and Fees	5,000	5,000	4,935	65
Total Debt Service	<u>1,036,013</u>	<u>852,186</u>	<u>225,707</u>	<u>626,479</u>
Capital Outlay				
	<u>25,000</u>	<u>1,749,798</u>	<u>1,537,556</u>	<u>212,242</u>
Total Expenditures	<u>32,505,006</u>	<u>34,542,243</u>	<u>32,253,719</u>	<u>2,288,524</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>109,608</u>	<u>(193,268)</u>	<u>4,796,731</u>	<u>4,989,999</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	328,818	8,818	8,818	-
Transfers Out	(438,426)	(1,778,242)	(5,995,876)	(4,217,634)
Capital Lease	-	1,385,000	1,385,000	-
Sale of Capital Assets	-	-	2,404	2,404
Total Other Financing Sources (Uses)	<u>(109,608)</u>	<u>(384,424)</u>	<u>(4,599,654)</u>	<u>(4,215,230)</u>
Net Change in Fund Balance	-	(577,692)	197,077	774,769
Fund Balance - July 1	7,282,705	7,282,705	7,282,705	-
Fund Balance - June 30	<u>\$ 7,282,705</u>	<u>\$ 6,705,013</u>	<u>\$ 7,479,782</u>	<u>\$ 774,769</u>

The notes to the required supplementary information are an integral part of this schedule.

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, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Taxes	\$ 11,943,000	\$ 11,943,000	\$ 12,162,101	\$ 219,101
Interest	-	-	84,942	84,942
Total Revenues	<u>11,943,000</u>	<u>11,943,000</u>	<u>12,247,043</u>	<u>304,043</u>
EXPENDITURES				
General Government	682,979	682,979	403,229	279,750
Capital Outlay and Projects	2,063,000	3,063,000	1,000,056	2,062,944
Tax Increment Distributions	5,973,205	7,538,700	7,830,105	(291,405)
Debt Service				
Principal Retirement	936,990	936,990	937,000	(10)
Interest and Fees	271,299	271,299	270,798	501
Total Expenditures	<u>9,927,473</u>	<u>12,492,968</u>	<u>10,441,188</u>	<u>2,051,780</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,015,527</u>	<u>(549,968)</u>	<u>1,805,855</u>	<u>2,355,823</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,809,651)	(2,833,808)	(2,833,808)	-
Total Other Financing Sources (Uses)	<u>(1,809,651)</u>	<u>(2,833,808)</u>	<u>(2,833,808)</u>	<u>-</u>
Net Change in Fund Balance	205,876	(3,383,776)	(1,027,953)	2,355,823
Fund Balance - July 1	14,304,227	14,304,227	14,304,227	-
Fund Balance - June 30	<u>\$ 14,510,103</u>	<u>\$ 10,920,451</u>	<u>\$ 13,276,274</u>	<u>\$ 2,355,823</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability

December 31, 2014

Last 10 Fiscal Years*

	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Proportion of the net pension liability (asset)	15.9106976%	1.5301206%	9.0584805%	0.2047770%	1.0058044%
Proportionate share of the net pension liability (asset)	\$ 4,589,338	\$ 1,924,254	\$ (516,912)	\$ (6,206)	\$ (14,879)
Covered employee payroll	\$ 8,124,954	\$ 2,366,985	\$ 2,527,510	\$ 1,005,005	\$ 415,986
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	56.5%	81.3%	-20.5%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	94.0%	90.5%	103.5%	103.5%	120.5%

* The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years which information is available

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of Contributions - Utah Retirement Systems

December 31, 2014

Last 10 Fiscal Years*

	Contributory Retirement System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Contractually required contribution	\$ 1,180,601	\$ 753,669	\$ 80,755	\$ 84,486	\$ 45,321
Contributions in relation to the contractually required contribution	(1,180,601)	(753,669)	(80,755)	(84,486)	(45,321)
Contribution deficiency (excess)	-	-	-	-	-
Covered employee payroll	8,124,954	2,366,985	2,527,510	1,005,005	415,986
Contributions as a percentage of covered-employee payroll **	14.53%	31.84%	3.20%	8.41%	10.89%

* The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available.

** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF SOUTH JORDAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

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.

2. **DEFINED CONTRIBUTION SYSTEM**

The City participates in a defined contribution plan with Utah Retirement Systems. A summary of the contributions made from January 1 to December 31, 2014 are as follows:

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	\$ 431,184	\$ 260,733
457 Plan	237,096	36,260
Roth IRA Plan	24,655	-
Traditional IRA Plan	400	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) plan.

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SUPPLEMENTARY INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

- 1) **Storm Drain Fund** – 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) **CDBG Fund** – This fund is used to account for the revenues received by the City from the U.S. Department of Housing and Urban Development (HUD) as a grantee in the Community Development Block Grant program.
- 3) **Fitness Center Fund** – This fund is used to account for fees charged to users and expenditures dealing with operation and maintenance of the City’s fitness center.

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of bond principal and interest. The Municipal Building Authority (MBA) fund is presented as a debt service fund.

- 1) **Debt Service Fund** – This fund is used to accumulate resources for and payment of bond principal and interest for governmental funds.
- 2) **Municipal Building Authority (MBA) Fund** – This fund is used to account for the construction of the City’s capital facilities and related debt service expenditures.

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 was 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. During fiscal year 2015 the City’s Cemetery fund was consolidated with the general fund.

CITY OF SOUTH JORDAN
Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2015

	Special Revenue		Debt Service		Permanent	Total	
	Storm Drain	CDBG	Fitness Center	Debt Service	MBA		Cemetery
ASSETS							
Cash and Cash Equivalents	\$ 4,537,462	\$ -	\$ 1,630,273	\$ 3,817	\$ 345,563	-	\$ 6,517,115
Restricted Cash	-	-	-	2,664,944	63	-	2,665,007
Receivables							
Accounts	278,440	17,265	8,961	-	-	-	304,666
Due From Other Funds	-	-	8,257	-	-	-	8,257
Special Assessments	-	-	-	1,957,000	-	-	1,957,000
Total Assets	<u>\$ 4,815,902</u>	<u>\$ 17,265</u>	<u>\$ 1,647,491</u>	<u>\$4,625,761</u>	<u>\$ 345,626</u>	<u>\$ -</u>	<u>\$ 11,452,045</u>
LIABILITIES							
Accounts Payable and Accrued Liabilities	92,305	9,008	76,024	-	-	-	177,337
Due to Other Funds	-	8,257	-	-	-	-	8,257
Total Liabilities	<u>92,305</u>	<u>17,265</u>	<u>76,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,594</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Special Assessments	-	-	-	1,957,000	-	-	1,957,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,957,000</u>	<u>-</u>	<u>-</u>	<u>1,957,000</u>
FUND BALANCES							
Restricted	-	-	-	2,664,944	63	-	2,665,007
Committed	-	-	-	-	-	-	-
Assigned	4,723,597	-	1,571,467	3,817	345,563	-	6,644,444
Total Fund Balances	<u>4,723,597</u>	<u>-</u>	<u>1,571,467</u>	<u>2,668,761</u>	<u>345,626</u>	<u>-</u>	<u>9,309,451</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,815,902</u>	<u>\$ 17,265</u>	<u>\$ 1,647,491</u>	<u>\$4,625,761</u>	<u>\$ 345,626</u>	<u>\$ -</u>	<u>\$ 11,452,045</u>

CITY OF SOUTH JORDAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	Special Revenue			Debt Service		Permanent	Total
	Storm Drain	CDBG	Fitness Center	Debt Service	MBA	Cemetery	
REVENUES							
Intergovernmental	\$ -	\$ 148,475	\$ -	\$ -	\$ -	\$ -	\$ 148,475
Charges for Services	2,293,280	-	1,796,106	-	-	-	4,089,386
Special Assessments	-	-	-	651,909	-	-	651,909
Interest	28,792	-	-	13,988	63	-	42,843
Miscellaneous	4,763	-	-	148,427	-	-	153,190
Total Revenues	2,326,835	148,475	1,796,106	814,324	63	-	5,085,803
EXPENDITURES							
Current							
General Government	-	-	-	21,350	-	-	21,350
Development Services	-	52,163	-	-	-	-	52,163
Public Works	1,035,278	-	-	-	-	-	1,035,278
Recreation	-	-	1,606,161	-	-	-	1,606,161
Debt Service							
Principal	-	-	-	1,231,660	540,000	-	1,771,660
Interest and Fees	-	-	-	787,493	186,169	-	973,662
Capital Outlay and Projects	159,327	96,312	50,759	-	-	-	306,398
Total Expenditures	1,194,605	148,475	1,656,920	2,040,503	726,169	-	5,766,672
Excess (Deficiency) of							
Revenues over Expenditures	1,132,230	-	139,186	(1,226,179)	(726,106)	-	(680,869)
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	-	-	3,901	-	-	-	3,901
Transfers In	-	-	-	1,599,463	724,669	-	2,324,132
Transfers Out	(62,941)	-	(949)	-	-	(686,644)	(750,534)
Total Other Financing Sources (Uses)	(62,941)	-	2,952	1,599,463	724,669	(686,644)	1,577,499
Net Change in Fund Balances	1,069,289	-	142,138	373,284	(1,437)	(686,644)	896,630
Fund Balances - Beginning	3,654,308	-	1,429,329	2,295,477	347,063	686,644	8,412,821
Fund Balances - Ending	\$ 4,723,597	\$ -	\$ 1,571,467	\$ 2,668,761	\$ 345,626	\$ -	\$ 9,309,451

CITY OF SOUTH JORDAN

Capital Projects Fund

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 120,359	\$ 3,250	\$ (117,109)
Interest	-	-	52,994	52,994
Impact Fees	-	-	3,008,561	3,008,561
Miscellaneous	-	120,441	1,325,870	1,205,429
Total Revenues	<u>-</u>	<u>240,800</u>	<u>4,390,675</u>	<u>4,149,875</u>
EXPENDITURES				
Capital Outlay				
Road and Bridge	669,527	4,000,573	1,507,008	2,493,565
Parks	1,913,000	3,674,617	955,046	2,719,571
Storm Drain	-	898,345	706,574	191,771
Facilities	702,000	1,555,600	679,055	876,545
Other Projects	789,000	2,444,226	991,424	1,452,802
Total Expenditures	<u>4,073,527</u>	<u>12,573,361</u>	<u>4,839,107</u>	<u>7,734,254</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,073,527)</u>	<u>(12,332,561)</u>	<u>(448,432)</u>	<u>11,884,129</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	88,422	348,552	260,130
Transfers In	-	2,311,157	7,648,251	5,337,094
Transfers Out	(396,074)	(4,324,263)	(396,074)	3,928,189
Total Other Financing Sources (Uses)	<u>(396,074)</u>	<u>(1,924,684)</u>	<u>7,600,729</u>	<u>9,525,413</u>
Net Change in Fund Balance	(4,469,601)	(14,257,245)	7,152,297	21,409,542
Fund Balance - July 1	23,602,798	23,602,798	23,602,798	-
Fund Balance - June 30	<u>\$ 19,133,197</u>	<u>\$ 9,345,553</u>	<u>\$ 30,755,095</u>	<u>\$ 21,409,542</u>

CITY OF SOUTH JORDAN

Storm Drain Fund

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Charges for Services	\$ 2,205,621	\$ 2,205,621	\$ 2,293,280	\$ 87,659
Interest	10,655	10,655	28,792	18,137
Miscellaneous	-	3,953	4,763	810
Total Revenues	<u>2,216,276</u>	<u>2,220,229</u>	<u>2,326,835</u>	<u>106,606</u>
EXPENDITURES				
Public Works	1,109,337	1,113,290	1,035,278	78,012
Capital Outlay	150,936	488,949	159,327	329,622
Total Expenditures	<u>1,260,273</u>	<u>1,602,239</u>	<u>1,194,605</u>	<u>407,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>956,003</u>	<u>617,990</u>	<u>1,132,230</u>	<u>514,240</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,941)	(62,941)	(62,941)	-
Total Other Financing Sources (Uses)	<u>(2,941)</u>	<u>(62,941)</u>	<u>(62,941)</u>	<u>-</u>
Net Change in Fund Balance	953,062	555,049	1,069,289	514,240
Fund Balance - July 1	3,654,308	3,654,308	3,654,308	-
Fund Balance - June 30	<u>\$ 4,607,370</u>	<u>\$ 4,209,357</u>	<u>\$ 4,723,597</u>	<u>\$ 514,240</u>

CITY OF SOUTH JORDAN

Community Development Block Grant Fund

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Intergovernmental	\$ 167,646	\$ 194,803	\$ 148,475	\$ (46,328)
Total Revenues	<u>167,646</u>	<u>194,803</u>	<u>148,475</u>	<u>(46,328)</u>
EXPENDITURES				
Development Services	63,146	69,220	52,163	17,057
Capital Outlay	104,500	125,583	96,312	29,271
Total Expenditures	<u>167,646</u>	<u>194,803</u>	<u>148,475</u>	<u>46,328</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH JORDAN**Fitness Center Fund**

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Charges for Services	\$ 1,706,500	\$ 1,760,500	\$ 1,796,106	\$ 35,606
Total Revenues	<u>1,706,500</u>	<u>1,760,500</u>	<u>1,796,106</u>	<u>35,606</u>
EXPENDITURES				
Recreation	1,640,144	1,691,644	1,606,161	85,483
Capital Outlay	53,800	53,569	50,759	2,810
Total Expenditures	<u>1,693,944</u>	<u>1,745,213</u>	<u>1,656,920</u>	<u>88,293</u>
Excess of Revenues Over Expenditures	<u>12,556</u>	<u>15,287</u>	<u>139,186</u>	<u>123,899</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	1,750	3,901	2,151
Transfers Out	(949)	(5,430)	(949)	4,481
Total Other Financing Sources (Uses)	<u>(949)</u>	<u>(3,680)</u>	<u>2,952</u>	<u>6,632</u>
Net Change in Fund Balance	11,607	11,607	142,138	130,531
Fund Balance - July 1	1,429,329	1,429,329	1,429,329	-
Fund Balance - June 30	<u>\$ 1,440,936</u>	<u>\$ 1,440,936</u>	<u>\$ 1,571,467</u>	<u>\$ 130,531</u>

CITY OF SOUTH JORDAN

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Special Assessments	\$ 727,212	\$ 727,212	\$ 651,909	\$ (75,303)
Interest	5,000	5,000	13,988	8,988
Miscellaneous	148,367	148,367	148,427	60
Total Revenues	<u>880,579</u>	<u>880,579</u>	<u>814,324</u>	<u>(66,255)</u>
EXPENDITURES				
General Government	21,350	21,350	21,350	-
Debt Service				
Principal	1,231,660	1,231,660	1,231,660	-
Interest and Fees	786,994	786,994	787,493	(499)
Total Expenditures	<u>2,040,004</u>	<u>2,040,004</u>	<u>2,040,503</u>	<u>(499)</u>
Deficiency of Revenues Over Expenditures	<u>(1,159,425)</u>	<u>(1,159,425)</u>	<u>(1,226,179)</u>	<u>(66,754)</u>
OTHER FINANCING SOURCES				
Transfers In	1,599,463	1,599,463	1,599,463	-
Total Other Financing Sources	<u>1,599,463</u>	<u>1,599,463</u>	<u>1,599,463</u>	<u>-</u>
Net Change in Fund Balance	440,038	440,038	373,284	(66,754)
Fund Balance - July 1	2,295,477	2,295,477	2,295,477	-
Fund Balance - June 30	<u>\$ 2,735,515</u>	<u>\$ 2,735,515</u>	<u>\$ 2,668,761</u>	<u>\$ (66,754)</u>

CITY OF SOUTH JORDAN**Municipal Building Authority Fund**

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Interest	\$ 1,750	\$ 1,750	\$ 63	\$ (1,687)
Total Revenues	<u>1,750</u>	<u>1,750</u>	<u>63</u>	<u>(1,687)</u>
EXPENDITURES				
Debt Service				
Principal	540,000	540,000	540,000	-
Interest and Fees	186,419	186,419	186,169	250
Total Expenditures	<u>726,419</u>	<u>726,419</u>	<u>726,169</u>	<u>250</u>
Excess of Revenues Over Expenditures	<u>(724,669)</u>	<u>(724,669)</u>	<u>(726,106)</u>	<u>(1,437)</u>
OTHER FINANCING SOURCES				
Transfers In	724,669	724,669	724,669	-
Total Other Financing Sources	<u>724,669</u>	<u>724,669</u>	<u>724,669</u>	<u>-</u>
Net Change in Fund Balance	-	-	(1,437)	(1,437)
Fund Balance - July 1	347,063	347,063	347,063	-
Fund Balance - June 30	<u>\$ 347,063</u>	<u>\$ 347,063</u>	<u>\$ 345,626</u>	<u>\$ (1,437)</u>

CITY OF SOUTH JORDAN**Cemetery Perpetual Care Fund**

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

Budget and Actual

For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget
REVENUES				
Charges for Services	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Parks and Cemetery	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(686,644)	(686,644)
Total Other Financing Sources (Uses)	-	-	(686,644)	(686,644)
Net Change in Fund Balance	-	-	(686,644)	(686,644)
Fund Balance - July 1	686,644	686,644	686,644	-
Fund Balance - June 30	<u>\$ 686,644</u>	<u>\$ 686,644</u>	<u>\$ -</u>	<u>\$ (686,644)</u>

NONMAJOR PROPRIETARY FUNDS

Mulligans Fund

The Mulligans fund is used to account for the operations of Mulligans Golf & Games. This City recreation facility includes golf, miniature golf, a driving range, and batting cages.

Sanitation Fund

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



CITY OF SOUTH JORDAN
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2015

	Mulligans Fund	Sanitation Fund	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 293,924	\$ 1,997,704	\$ 2,291,628
Accounts Receivable Net of Allowance	80	377,297	377,377
Inventories	25,375	-	25,375
Total Current Assets	<u>319,379</u>	<u>2,375,001</u>	<u>2,694,380</u>
Noncurrent Assets			
Net Pension Asset	241	-	241
Investment in Landfill	-	2,994,143	2,994,143
Capital Assets			
Land	9,956,618	-	9,956,618
Buildings and Structures	699,799	-	699,799
Improvements - Other than Buildings	357,798	-	357,798
Machinery and Equipment	331,569	1,232,735	1,564,304
Less Accumulated Depreciation	(926,190)	(764,382)	(1,690,572)
Capital Assets (Net of Accum Depreciation)	<u>10,419,594</u>	<u>468,353</u>	<u>10,887,947</u>
Total Noncurrent Assets	<u>10,419,835</u>	<u>3,462,496</u>	<u>13,882,331</u>
Total Assets	<u>10,739,214</u>	<u>5,837,497</u>	<u>16,576,711</u>
DEFERRED OUTFLOWS OF RESOURCES			
Resources Related to Pensions	<u>19,924</u>	<u>7,847</u>	<u>27,771</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	41,300	231,840	273,140
Accrued Liabilities	20,045	2,940	22,985
Compensated Absences	14,185	2,547	16,732
Interfund Payable	34,194	-	34,194
Total Current Liabilities	<u>109,724</u>	<u>237,327</u>	<u>347,051</u>
Noncurrent Liabilities			
Compensated Absences	7,940	-	7,940
Interfund Payable	3,932,631	-	3,932,631
Net Pension Liability	97,008	42,064	139,072
Total Noncurrent Liabilities	<u>4,037,579</u>	<u>42,064</u>	<u>4,079,643</u>
Total Liabilities	<u>4,147,303</u>	<u>279,391</u>	<u>4,426,694</u>
DEFERRED INFLOWS OF RESOURCES			
Resources Related to Pensions	<u>30,711</u>	<u>13,350</u>	<u>44,061</u>
NET POSITION			
Net Investment in Capital Assets	10,419,594	468,353	10,887,947
Unrestricted	(3,838,470)	5,084,250	1,245,780
Total Net Position	<u>\$ 6,581,124</u>	<u>\$ 5,552,603</u>	<u>\$ 12,133,727</u>

CITY OF SOUTH JORDAN**Combining Statement of Revenues, Expenses, and Changes in Net Position**

Nonmajor Proprietary Funds

For the Year Ended June 30, 2015

	Mulligans Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for Services			
Operations	\$ 1,283,177	\$ 3,076,235	\$ 4,359,412
Miscellaneous	-	1,552	1,552
Total Operating Revenues	<u>1,283,177</u>	<u>3,077,787</u>	<u>4,360,964</u>
OPERATING EXPENSES			
Costs of Services	827,931	2,037,136	2,865,067
General and Administrative	-	502,489	502,489
Depreciation	49,956	62,735	112,691
Total Operating Expenses	<u>877,887</u>	<u>2,602,360</u>	<u>3,480,247</u>
Operating Income	<u>405,290</u>	<u>475,427</u>	<u>880,717</u>
NON-OPERATING REVENUES (EXPENSES)			
Increase in Joint Venture	-	106,496	106,496
Interest	789	12,304	13,093
Interest and Fees	(120,026)	-	(120,026)
Total Non-Operating Revenue (Expenses)	<u>(119,237)</u>	<u>118,800</u>	<u>(437)</u>
Income Before Contributions and Transfers	<u>286,053</u>	<u>594,227</u>	<u>880,280</u>
CONTRIBUTIONS AND TRANSFERS			
Transfers Out	<u>(469)</u>	<u>(272)</u>	<u>(741)</u>
Change in Net Position	285,584	593,955	879,539
Net Position - Beginning, as Previously Reported	6,383,125	4,998,290	11,381,415
Adjustment for Net Pension Liability (Note 15)	(87,585)	(39,642)	(127,227)
Net Position - Beginning, as Adjusted	<u>6,295,540</u>	<u>4,958,648</u>	<u>11,254,188</u>
Net Position - Ending	<u>\$ 6,581,124</u>	<u>\$ 5,552,603</u>	<u>\$ 12,133,727</u>

CITY OF SOUTH JORDAN
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For The Year Ended June 30, 2015

	Mulligans	Sanitation Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 1,283,711	\$ 3,071,824	\$ 4,355,535
Payments to Suppliers	(289,756)	(2,008,776)	(2,298,532)
Interfund Services	(33,226)	(502,489)	(535,715)
Payments to Employees	(481,408)	(113,332)	(594,740)
Net Cash Provided by Operating Activities	<u>479,321</u>	<u>447,227</u>	<u>926,548</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers Out	(469)	(272)	(741)
Net Cash Used by Noncapital Financing Activities	<u>(469)</u>	<u>(272)</u>	<u>(741)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds From Interfund Loan	3,928,189	-	3,928,189
Principal Paid on Capital Debt	(4,894,099)	-	(4,894,099)
Interest Paid on Capital Debt	(228,456)	-	(228,456)
Proceeds From Sale of Capital Assets	60,329	-	60,329
Net Cash Used by Capital and Related Financing Activities	<u>(1,134,037)</u>	<u>-</u>	<u>(1,134,037)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Interest Income	791	12,304	13,095
Net Increase (Decrease) in Cash and Cash Equivalents	(654,394)	459,259	(195,135)
Cash and Cash Equivalents - Beginning of Year	948,318	1,538,445	2,486,763
Cash and Cash Equivalents - End of Year	<u>\$ 293,924</u>	<u>\$ 1,997,704</u>	<u>\$ 2,291,628</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	\$ 405,290	\$ 475,427	\$ 880,717
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	49,956	62,735	112,691
(Increase) Decrease in Receivables	(77)	(6,206)	(6,283)
(Increase) Decrease in Inventory	(8,082)	-	(8,082)
(Increase) Decrease in Net Pension Asset	(241)	-	(241)
(Increase) Decrease in Deferred Outflows Related to Pensions	(5,812)	(3,091)	(8,903)
Increase (Decrease) in Accounts Payable	12,287	(91,002)	(78,715)
Increase (Decrease) in Accrued Liabilities	97	8	105
Increase (Decrease) in Accrued Vacation and Sick Leave	(119)	(1,660)	(1,779)
Increase (Decrease) in Net Pension Liability	(4,689)	(2,334)	(7,023)
Increase (Decrease) in Deferred Inflows Related to Pensions	30,711	13,350	44,061
Total Adjustments	<u>74,031</u>	<u>(28,200)</u>	<u>45,831</u>
Net Cash Provided by Operating Activities	<u>\$ 479,321</u>	<u>\$ 447,227</u>	<u>\$ 926,548</u>
Noncash Investing, Capital, and Financing Activities:			
Increase in Equity Investment in Trans-Jordan Landfill	-	106,496	106,496

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STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of South Jordan’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.

Net Position by Component	113
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Governmental Funds – Fund Balances	116
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REVENUE CAPACITY – These schedules contain information to help the reader assess the city’s most significant local revenue sources: Property tax, sales tax, and water revenue.

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Property Tax Rates – Direct and Overlapping Governments	120
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Direct and Overlapping Sales Tax Rates.....	124
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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.

Ratios of Outstanding Debt by Type	126
Direct and Overlapping Governmental Activities Debt.....	127
Legal Debt Margin Information.....	128
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DEMOGRAPHIC AND ECONOMIC DEVELOPMENT INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the city’s financial activities take place.

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Principal Employers.....	132
Full-time Equivalent City Government Employees by Function/Program	133

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.

Operating Indicators by Function/Program	134
Capital Asset Statistics by Function/Program	135

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 Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 106,761,733	\$ 128,667,115	\$ 164,633,436	\$ 173,288,801	\$ 182,191,448	\$ 184,928,098	\$ 190,401,077	\$ 190,745,605	\$ 199,575,459	\$ 213,258,424
Restricted	5,171,176	5,546,107	6,817,249	5,287,778	5,750,547	5,778,082	6,487,565	9,320,159	10,501,361	11,103,967
Unrestricted	23,086,915	32,173,707	18,940,477	15,981,298	19,648,675	23,561,253	28,107,792	36,671,797	42,742,779	42,934,056
Total Governmental Activities Net Position	<u>135,019,824</u>	<u>166,386,929</u>	<u>190,391,162</u>	<u>194,557,877</u>	<u>207,590,670</u>	<u>214,267,433</u>	<u>224,996,434</u>	<u>236,737,561</u>	<u>252,819,599</u>	<u>267,296,447</u>
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	50,171,439	61,890,171	66,417,595	65,826,404	80,535,829	81,720,057	82,158,412	83,077,861	87,328,878	94,420,764
Restricted	5,019,969	4,508,398	4,188,003	5,357,126	5,357,073	5,357,073	4,686,192	7,805,966	9,167,118	8,424,148
Unrestricted	6,284,350	8,054,634	10,432,319	17,952,818	12,934,808	15,034,338	17,883,852	19,607,470	19,119,412	19,649,500
Total Business-type Activities Net Position	<u>61,475,758</u>	<u>74,453,203</u>	<u>81,037,917</u>	<u>89,136,348</u>	<u>98,827,710</u>	<u>102,111,468</u>	<u>104,728,456</u>	<u>110,491,297</u>	<u>115,615,408</u>	<u>122,494,412</u>
Primary Government										
Invested in Capital Assets, Net of Related Debt	156,933,172	190,557,286	231,051,031	239,115,205	262,727,277	266,648,155	272,559,489	273,823,466	286,904,337	307,679,188
Restricted	10,191,145	10,054,505	11,005,252	10,644,904	11,107,620	11,135,155	11,173,757	17,126,125	19,668,479	19,528,115
Unrestricted	30,843,775	41,685,156	29,372,796	33,934,116	32,583,483	38,595,591	45,991,644	56,279,267	61,862,191	62,583,556
Total Primary Government Net Position	<u>\$ 197,968,092</u>	<u>\$ 242,296,947</u>	<u>\$ 271,429,079</u>	<u>\$ 283,694,225</u>	<u>\$ 306,418,380</u>	<u>\$ 316,378,901</u>	<u>\$ 329,724,890</u>	<u>\$ 347,228,858</u>	<u>\$ 368,435,007</u>	<u>\$ 389,790,859</u>

CITY OF SOUTH JORDAN
Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
General Government	\$ 4,063,181	\$ 7,689,410	\$ 12,382,752	\$ 25,767,542	\$ 13,717,369	\$ 12,109,691	\$ 15,502,901	\$ 17,389,131	\$ 16,608,707	\$ 18,395,535
Community Services	-	-	-	-	-	-	-	-	-	1,263,211
Development Services	8,829,267	3,071,596	4,307,929	2,666,063	2,790,912	2,995,757	3,137,078	3,291,558	3,517,200	3,626,463
Public Works	7,736,325	14,432,464	8,152,171	8,765,876	9,377,398	10,556,329	10,680,313	10,800,864	10,908,608	14,564,901
Recreation	-	-	-	-	-	-	-	-	-	2,146,638
Public Safety	-	-	9,085,813	9,977,339	10,344,086	10,247,065	10,593,261	10,592,624	10,878,736	11,515,459
Parks, Recreation, and Culture	-	-	2,797,002	2,482,574	2,758,666	3,004,123	3,194,554	4,432,215	4,514,140	-
Finance and Administrative Services	5,761,808	5,794,895	-	-	-	-	-	-	-	-
Interest on Long-term Debt	1,761,293	1,615,736	1,364,267	1,877,795	1,962,277	1,792,390	1,599,655	1,446,215	1,343,194	1,250,915
Total Governmental Activities Expenses	28,151,874	32,604,101	38,089,934	51,537,189	40,950,708	40,705,355	44,707,762	47,952,607	47,770,585	52,763,122
Business-type Activities										
Water	8,224,417	9,661,825	11,590,718	12,169,090	13,234,622	13,218,308	14,600,787	14,665,809	15,080,336	15,267,223
Sanitation	1,462,979	1,676,313	1,929,607	1,941,646	2,223,915	2,255,978	2,753,324	2,737,800	2,798,131	2,602,360
Mulligans	1,559,361	1,273,268	1,262,095	1,216,443	1,151,246	1,140,856	1,104,589	1,076,915	1,064,918	997,913
Total Business-type Activities Expenses	11,246,757	12,611,406	14,782,420	15,327,179	16,609,783	16,615,142	18,458,700	18,480,524	18,943,385	18,867,496
Total Primary Government Expenses	39,398,631	45,215,507	52,872,354	66,864,368	57,560,491	57,320,497	63,166,462	66,433,131	66,713,970	71,630,618
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	1,929,805	5,413,975	4,203,401	5,321,133	10,797,411	8,413,802	10,023,023	4,191,264	3,934,299	4,704,833
Community Services	-	-	-	-	-	-	-	-	-	50,104
Development Services	-	-	4,940,046	2,626,351	2,287,428	2,203,018	2,207,553	3,770,162	4,425,104	3,635,389
Public Works	11,066,549	9,302,633	3,808,582	3,434,446	1,570,106	1,504,460	2,340,293	6,333,077	5,872,832	2,672,510
Recreation	-	-	-	-	-	-	-	-	-	1,796,106
Public Safety	2,356,987	328,651	906,824	558,538	418,644	-	-	1,350,973	1,331,243	1,325,863
Parks, Recreation, and Culture	-	-	2,287,865	247,646	52,655	922,630	2,142,558	1,929,378	2,069,070	-
Finance and Administrative Services	2,528,736	1,089,849	-	-	-	-	-	-	-	-
Operating Grants and Contributions	1,841,950	1,950,195	1,878,241	2,239,958	1,854,699	2,245,987	2,104,024	2,560,591	2,513,188	2,323,266
Capital Grants and Contributions	23,874,290	27,178,129	20,049,268	16,470,876	11,616,590	2,845,815	4,130,047	4,764,233	7,329,039	18,803,409
Total Governmental Activities Programs Revenues	43,598,317	45,263,432	38,074,227	30,898,948	28,597,533	18,135,712	22,947,498	24,899,678	27,474,775	35,311,480
Business-type Activities:										
Charges for Services:										
Water	12,318,095	12,549,690	14,461,880	14,061,525	13,606,735	15,198,823	15,457,540	17,058,838	17,400,811	18,087,734
Sanitation	2,041,235	2,409,651	2,446,905	2,270,385	2,590,014	2,631,313	2,782,767	2,899,907	3,205,435	3,196,587
Mulligans	1,196,809	1,312,393	1,246,377	1,232,693	1,253,843	1,150,831	1,343,934	1,229,420	1,232,458	1,283,966
Capital Grants and Contributions	5,767,243	8,541,823	4,272,734	5,937,377	8,824,471	764,448	1,437,347	2,955,905	2,386,344	3,689,351
Total Business-type Activities Program Revenues	21,323,382	24,813,557	22,427,896	23,501,980	26,275,063	19,745,415	21,021,588	24,144,070	24,225,048	26,257,638
Total Primary Governmental Program Revenues	64,921,699	70,076,989	60,502,123	54,400,928	54,872,596	37,881,127	43,969,086	49,043,748	51,699,823	61,569,118

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental Activities	15,446,443	12,659,331	(15,707)	(20,638,241)	(12,353,175)	(22,569,643)	(21,760,264)	(23,052,929)	(20,295,810)	(17,451,642)
Business-type Activities	10,076,626	12,202,151	7,645,476	8,174,801	9,665,280	3,130,273	2,562,888	5,663,546	5,281,663	7,390,142
Total Primary Government Net Expense	<u>25,523,069</u>	<u>24,861,482</u>	<u>7,629,769</u>	<u>(12,463,440)</u>	<u>(2,687,895)</u>	<u>(19,439,370)</u>	<u>(19,197,376)</u>	<u>(17,389,383)</u>	<u>(15,014,147)</u>	<u>(10,061,500)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	7,428,694	8,900,328	11,456,293	13,403,866	14,238,268	17,254,088	19,339,283	21,559,693	21,379,926	21,700,883
Sales Taxes	4,926,279	6,481,322	7,174,379	7,363,412	7,470,026	8,301,690	9,047,468	9,815,735	9,682,273	10,909,154
Energy Sales and Use Tax	1,853,968	1,824,497	2,260,516	2,363,720	2,520,364	2,771,527	2,793,820	3,181,151	3,530,287	3,567,464
Other Taxes	753,042	877,001	843,014	918,708	937,852	872,976	921,270	14,546	1,093,176	1,138,852
Gain (Loss) on Disposition of Capital Assets	3,784,498	11,125	229,846	173,197	47,843	-	51,222	89,002	47,339	323,617
Investment Earnings	419,040	1,174,925	995,130	505,683	175,085	199,610	380,297	233,224	487,295	388,660
Miscellaneous	203,310	450,196	-	-	-	-	-	-	-	-
Transfers	(3,569,554)	(1,011,620)	1,060,762	76,370	(3,470)	(153,485)	(44,100)	(99,295)	157,552	4,909
Total Governmental Activities	<u>15,799,277</u>	<u>18,707,774</u>	<u>24,019,940</u>	<u>24,804,956</u>	<u>25,385,968</u>	<u>29,246,406</u>	<u>32,489,260</u>	<u>34,794,056</u>	<u>36,377,848</u>	<u>38,033,539</u>
Business-type Activities:										
Gain (Loss) on Disposal of Capital Assets	-	(236,326)	-	-	22,612	-	10,000	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	3,569,554	1,011,620	(1,060,762)	(76,370)	3,470	153,485	44,100	99,295	(157,552)	(4,909)
Total Business-type Activities	<u>3,569,554</u>	<u>775,294</u>	<u>(1,060,762)</u>	<u>(76,370)</u>	<u>26,082</u>	<u>153,485</u>	<u>54,100</u>	<u>99,295</u>	<u>(157,552)</u>	<u>(4,909)</u>
Total Primary Government	<u>19,368,831</u>	<u>19,483,068</u>	<u>22,959,178</u>	<u>24,728,586</u>	<u>25,412,050</u>	<u>29,399,891</u>	<u>32,543,360</u>	<u>34,893,351</u>	<u>36,220,296</u>	<u>38,028,630</u>
Change in Net Position										
Governmental Activities	31,245,720	31,367,105	24,004,233	4,166,715	13,032,793	6,676,763	10,728,996	11,741,127	16,082,038	20,581,897
Business-type Activities	13,646,180	12,977,445	6,584,714	8,098,431	9,691,362	3,283,758	2,616,988	5,762,841	5,124,111	7,385,233
Total Primary Government	<u>\$ 44,891,900</u>	<u>\$ 44,344,550</u>	<u>\$ 30,588,947</u>	<u>\$ 12,265,146</u>	<u>\$ 22,724,155</u>	<u>\$ 9,960,521</u>	<u>\$ 13,345,984</u>	<u>\$ 17,503,968</u>	<u>\$ 21,206,149</u>	<u>\$ 27,967,130</u>

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Nonspendable	\$ 23,728	\$ 19,159	\$ 21,901	\$ 10,612	\$ 10,993	\$ 21,408	\$ 26,239	\$ 39,877	\$ 166,613	\$ 527,304
Restricted	-	-	-	-	-	-	14,164	11,862	97,525	163,911
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	87,393	230,000	-
Unassigned	3,866,240	4,566,731	5,185,683	5,213,666	5,221,309	5,279,652	5,188,567	5,988,567	6,788,567	6,788,567
Total General Fund	<u>\$ 3,889,968</u>	<u>\$ 4,585,890</u>	<u>\$ 5,207,584</u>	<u>\$ 5,224,278</u>	<u>\$ 5,232,302</u>	<u>\$ 5,301,060</u>	<u>\$ 5,228,970</u>	<u>\$ 6,127,699</u>	<u>\$ 7,282,705</u>	<u>\$ 7,479,782</u>
All Other Governmental Funds										
Nonspendable	\$ 159,265	\$ 250,910	\$ 96,857	\$ 116,328	\$ 96,857	\$ 96,857	\$ 134,313	\$ 28,092	\$ 38,636	\$ 3,932,631
Restricted	4,725,089	5,074,875	6,328,860	4,765,105	5,222,316	5,224,294	5,881,257	8,675,553	9,717,192	10,940,056
Committed	289,991	313,629	313,629	336,903	358,253	383,801	395,500	436,800	490,700	-
Assigned	12,501,865	14,683,263	9,177,131	11,687,422	10,465,979	15,563,096	21,817,815	29,380,518	36,073,318	38,468,133
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 17,676,210</u>	<u>\$ 20,322,677</u>	<u>\$ 15,916,477</u>	<u>\$ 16,905,758</u>	<u>\$ 16,143,405</u>	<u>\$ 21,268,048</u>	<u>\$ 28,228,885</u>	<u>\$ 38,520,963</u>	<u>\$ 46,319,846</u>	<u>\$ 53,340,820</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 14,960,684	\$ 18,187,553	\$ 21,604,249	\$ 23,738,906	\$ 25,158,343	\$ 29,220,387	\$ 32,264,757	\$ 34,709,723	\$ 35,899,296	\$ 37,403,004
Licenses and Permits	3,763,459	3,716,134	2,974,174	1,829,604	2,287,428	2,203,018	2,207,553	3,062,607	3,434,674	2,947,782
Intergovernmental	2,182,529	2,273,037	2,040,569	2,239,959	1,966,229	2,245,987	2,104,024	2,560,591	3,023,580	2,134,027
Charges for Services	5,950,844	7,073,069	7,332,800	6,533,932	6,999,950	7,327,252	9,013,661	8,883,855	9,441,736	9,366,262
Fines and Forfeitures	1,260,350	1,089,849	1,009,544	1,001,232	1,043,493	885,487	827,665	769,367	785,586	902,968
Special Assessments	710,771	799,031	785,888	711,536	716,910	721,063	721,697	728,319	650,673	651,909
Interest	756,130	1,174,925	995,130	505,683	175,085	199,615	380,297	233,224	487,295	388,660
Impact fees	5,831,054	4,256,057	2,463,789	1,572,054	2,253,364	1,504,460	2,340,293	3,845,738	3,488,334	3,008,561
Miscellaneous	942,584	1,598,226	1,904,251	1,024,621	2,214,569	922,626	2,142,558	845,968	903,152	1,970,798
Total Revenues	36,358,405	40,167,881	41,110,394	39,157,527	42,815,371	45,229,895	52,002,505	55,639,392	58,114,326	58,773,971
Expenditures										
General Government	2,477,432	5,683,085	9,694,127	10,868,597	9,956,496	9,876,422	10,334,377	9,123,845	9,622,956	9,236,326
Community Services	-	-	-	-	-	-	-	-	-	1,165,684
Development Services	-	-	2,827,193	2,622,687	2,733,183	2,905,598	3,047,669	3,272,100	3,517,569	3,573,768
Public Works	3,992,094	8,966,517	3,200,085	3,452,789	4,267,434	4,755,483	4,410,272	4,826,681	4,852,827	8,004,660
Recreation	-	-	-	-	-	-	-	-	-	1,606,161
Public Safety	8,377,726	2,832,767	8,663,160	9,248,471	9,184,918	9,498,423	9,916,399	10,202,639	10,383,972	11,042,351
Parks, Recreation, and Culture	-	-	2,264,434	1,880,757	2,046,671	2,392,833	2,144,382	3,312,352	3,410,928	-
Finance and Admin. Services	4,817,357	5,233,222	-	-	-	-	-	-	-	-
Tax Increment Distributions	799,491	1,453,327	2,769,047	13,696,931	2,524,699	1,959,040	4,253,776	6,997,878	6,496,362	7,830,105
Capital Outlay	10,333,125	7,761,741	13,677,411	11,233,238	7,525,348	3,266,161	4,665,859	3,226,177	7,673,273	6,662,804
Debt Service										
Principal	2,471,530	2,901,694	2,030,751	3,227,438	3,414,344	3,361,174	4,812,188	2,149,736	2,747,919	2,929,432
Interest and Fees	1,742,568	1,919,083	1,812,173	1,618,274	2,024,325	1,880,074	1,568,137	1,524,401	1,354,322	1,249,395
Other	-	-	-	259,409	-	-	130,652	-	-	-
Total Expenditures	35,011,323	36,751,436	46,938,381	58,108,591	43,677,418	39,895,208	45,283,711	44,635,809	50,060,128	53,300,686
Excess (Deficiency) of Revenues over Expenditures	1,347,082	3,416,445	(5,827,987)	(18,951,064)	(862,047)	5,334,687	6,718,794	11,003,583	8,054,198	5,473,285

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Issuance of Long Term Debt	\$ 1,333,934	\$ 10,219,500	\$ 6,380,000	\$ 19,357,000	\$ -	\$ -	\$ 6,880,000	\$ -	\$ -	\$ -
Bond Premium	-	-	-	216,708	-	-	94,714	-	-	-
Capital Lease	-	-	-	-	-	-	-	-	665,000	1,385,000
Sale of Capital Assets	3,881,177	236,300	719,874	306,961	111,188	12,200	78,122	286,519	77,139	354,857
Payment to Refunded Bonds Escrow Agent	-	(9,699,784)	(6,100,000)	-	-	-	(6,838,782)	-	-	-
Transfers In	11,268,143	10,512,044	10,653,602	8,036,191	7,674,394	8,565,411	9,374,735	9,120,774	10,309,550	9,981,201
Transfers Out	(14,837,697)	(11,359,269)	(9,592,839)	(7,959,821)	(7,677,864)	(8,718,896)	(9,418,836)	(9,220,069)	(10,151,998)	(9,976,292)
Total Other Financing Sources (Uses)	1,645,557	(91,209)	2,060,637	19,957,039	107,718	(141,285)	169,953	187,224	899,691	1,744,766
Net Change in Fund Balances	\$ 2,992,639	\$ 3,325,236	\$ (3,767,350)	\$ 1,005,975	\$ (754,329)	\$ 5,193,402	\$ 6,888,747	\$ 11,190,807	\$ 8,953,889	\$ 7,218,051
Debt Service as a Percentage of Noncapital Expenditures	17%	17%	12%	10%	15%	14%	16%	9%	10%	9%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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
2013	3,435,655,884	533,441,482	98,800,518	2,032,932	4,065,864,951	2.44	6,207,427,406	65.50
2014	3,480,663,218	855,343,364	79,552,100	109,718,157	4,305,840,525	2.21	6,573,802,328	65.50
2015	3,875,242,027	882,172,868	102,555,634	486,046	4,859,484,483	2.08	7,235,213,177	67.16

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	Mosquito Abatement	Central Utah Water Conservancy District	Sandy Suburban	South Valley Sewer	Jordan Valley Water Conservancy District	Crescent Cemetery
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
2013	2.44	2.44	7.13	0.76	3.18	0.02	0.45	1.04	0.40	0.42	0.05
2014	2.21	2.21	6.70	0.72	3.04	0.02	0.42	0.95	0.37	0.40	0.04
2015	2.08	2.08	6.87	0.75	2.53	0.02	0.41	0.89	0.35	0.40	0.04

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	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
RiverPark LLC	\$ 227,124,300	1	4.67%	\$ 81,140,100	1	2.65%
Boyer Jordan Heights	130,366,700	2	2.68%			
Kennecott Land	126,644,325	3	2.61%	67,115,930	2	2.19%
eBay Inc	90,498,700	4	1.86%			
Merit Medical Systems Inc	61,931,280	5	1.27%	36,438,270	5	1.19%
San Tropez Holdings LLC	59,098,930	6	1.22%			
Walmart	52,691,500	7	1.08%	13,946,900	10	0.46%
Ivory Development LLC	32,283,160	8	0.66%			
Sterling Village Partners LLC	29,283,980	9	0.60%	39,478,400	3	1.29%
Pheasant Hollow Business Park	27,148,700	10	0.56%			
The District LC				38,440,150	4	1.26%
Legacy Retirement Center LLC				29,771,100	6	0.97%
South Jordan Town Center LC				28,965,630	7	0.95%
Parkway Tower LLC				14,434,800	8	0.47%
MM (UT) PRS				14,204,900	9	0.46%
Orange Street LLC						
Legacy Retirement Center LLC						
Total	\$ 837,071,575		17.21%	\$ 363,936,180		11.89%

Sources: The City of South Jordan and The Utah Tax Commission - Property Tax Division

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		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	309,744	7,086,928	97.62
2010	7,723,824	7,330,964	94.91	282,383	7,613,347	98.57
2011	8,512,362	8,175,797	96.05	191,375	8,367,172	98.29
2012	9,313,139	9,068,345	97.37	151,715	9,220,060	99.00
2013	9,648,746	9,444,798	97.89	130,149	9,574,947	99.24
2014	10,486,896	10,284,965	98.07	145,706	10,430,671	99.46
2015	10,803,390	10,566,323	97.81	-	10,566,323	97.81

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*	2015			2006		
	South Jordan Direct POS	Rank	Percentage of Total Direct POS	South Jordan Direct POS	Rank	Percentage of Total Direct POS
Retail/Grocery	\$ 994,004	1	8.71%			
Undisclosed**	911,095	2	7.98			
Retail/Grocery	754,626	3	6.61	\$ 862,844	1	16.74%
Auto Sales	532,025	4	4.66	460,566	3	8.94
Retail/Grocery	502,357	5	4.40			
Retail/Grocery	474,906	6	4.16	149,168	8	2.89
Retail/Grocery	431,727	7	3.78			
Auto Sales	416,604	8	3.65	524,821	2	10.18
Auto Sales	333,031	9	2.92			
Utility	324,492	10	2.84	173,434	6	3.37
Retail/Grocery				256,923	4	4.99
Retail/Grocery				175,347	5	3.40
Auto Sales				170,047	7	3.30
Utility				125,952	9	2.44
Retail/Grocery				120,994	10	2.35
Total	\$ 5,674,867		49.71%	\$ 3,020,096		58.60%

Source: Utah State Tax Commission

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

**Due to the unique nature of the tax payer's industry, revealing the industry would reveal the taxpayer.

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
2006	1.00	0.85	4.75
2007	1.00	1.10	4.75
2008	1.00	1.15	4.65
2009	1.00	1.15	4.70
2010	1.00	1.15	4.70
2011	1.00	1.15	4.70
2012	1.00	1.15	4.70
2013	1.00	1.15	4.70
2014	1.00	1.15	4.70
2015	1.00	1.15	4.70

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

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Water Sales	\$ 8,383,108	\$ 9,199,044	\$ 10,920,880	\$ 12,486,513	\$ 12,377,203	\$ 13,729,928	\$ 14,046,642	\$ 15,663,982	\$ 15,956,690	\$ 16,591,975
Secondary Water Sales	647,932	647,248	616,037	624,251	658,378	674,235	718,625	727,326	733,424	736,857
Other	436,678	381,542	2,158,750	660,966	443,352	456,633	503,425	553,151	539,810	597,700
Total Water Fund Revenue	<u>\$ 9,467,719</u>	<u>\$ 10,227,836</u>	<u>\$ 13,695,667</u>	<u>\$ 13,771,730</u>	<u>\$ 13,478,932</u>	<u>\$ 14,860,796</u>	<u>\$ 15,268,692</u>	<u>\$ 16,944,459</u>	<u>\$ 17,229,924</u>	<u>\$ 17,926,532</u>

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	Sales Tax Increment Bonds	Leases	Special Assessment Bond	RDA Tax Increment Bond	Water Revenue Bonds	Municipal Bldg Authority (Mulligans)				
2006	\$ 8,730	\$ 1,600	\$ 13,355	\$ 1,495	\$ 6,475	\$ -	\$ 23,845	\$ 8,405	63,905	690.45%	\$ 1,671	
2007	8,385	1,310	13,645	1,231	6,100	-	28,890	7,285	66,846	6.52	1,448	
2008	8,035	1,005	13,195	1,514	5,770	-	27,775	6,130	63,424	5.51	1,319	
2009	7,675	685	20,845	1,094	5,266	10,300	36,610	5,940	88,415	7.51	1,790	
2010	7,305	350	19,975	712	4,765	9,525	34,905	5,745	83,282	6.42	1,655	
2011	6,925	-	19,075	500	4,245	8,716	33,110	5,540	78,111	5.60	1,549	
2012	6,880	-	16,570	280	3,705	7,872	31,210	5,330	71,847	4.42	1,333	
2013	6,807	-	16,234	190	3,144	7,013	29,993	5,170	68,551	4.13	1,221	
2014	6,274	-	15,715	616	2,562	6,116	27,849	4,936	64,069	3.58	1,089	
2015	5,726	-	15,172	1,683	1,957	5,179	25,667	-	55,385	2.86	850	

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, 2015

<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	\$ 215,265,000	6.17%	\$ 13,274,621
Jordan School District	52,116,000	30.05	1,566,085,800
Central Utah Water Cons. District	247,304,046	6.17	<u>1,525,865,964</u>
Subtotal overlapping debt			3,105,226,385
City direct debt			<u>29,717,773</u>
Total direct and overlapping debt			<u><u>\$ 3,134,944,158</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 2015

Assessed value	\$ 4,860,457
Debt limit (12% of assessed value)	583,255
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 583,255</u></u>

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 233,417	\$ 311,500	\$ 438,853	\$ 513,589	\$ 460,296	\$ 492,287	\$ 481,838	\$ 487,904	\$ 516,701	\$ 583,255
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u><u>\$ 233,417</u></u>	<u><u>\$ 311,500</u></u>	<u><u>\$ 438,853</u></u>	<u><u>\$ 513,589</u></u>	<u><u>\$ 460,296</u></u>	<u><u>\$ 492,287</u></u>	<u><u>\$ 481,838</u></u>	<u><u>\$ 487,904</u></u>	<u><u>\$ 516,701</u></u>	<u><u>\$ 583,255</u></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			Sales and Use Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
2006	\$ 9,366	\$ 5,307	4,059	\$ 875	\$ 1,183	1.97	\$ 710	\$ 265	\$ 445	1.00	\$ 4,926	\$ 370	\$ 679	4.70
2007	10,165	6,921	3,244	930	1,153	1.56	806	375	431	1.00	6,481	385	566	6.81
2008	11,883	7,807	4,076	1,115	1,244	1.73	805	395	410	1.00	7,174	450	564	7.07
2009	13,410	7,948	5,462	1,190	1,239	2.25	704	504	200	1.00	7,363	465	622	6.77
2010	13,207	8,644	4,563	1,705	1,634	1.37	704	501	203	1.00	7,470	870	906	4.21
2011	14,404	8,715	5,689	1,795	1,535	1.71	703	520	183	1.00	8,302	900	869	4.69
2012	14,765	9,734	5,031	1,900	1,459	1.50	703	540	163	1.00	9,047	945	830	5.10
2013	16,391	9,898	6,493	2,050	1,376	1.90	704	561	143	1.00	9,816	485	720	8.14
2014	16,690	10,311	6,379	1,025	1,268	2.78	703	582	121	1.00	9,682	505	698	8.05
2015	17,927	10,771	7,156	2,125	1,201	2.15	704	605	99	1.00	10,909	530	677	9.03

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 and Use Tax	Debt Service			Class C Road Funds Revenue	Debt Service			Project Revenues	Debt Service		
		Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
2006	\$ 2,026	\$ 1,435	\$ 591	1.00	\$ 1,324	\$ 280	\$ 82	3.65	\$ -	\$ -	\$ -	-
2007	2,179	1,465	714	1.00	1,587	290	69	4.42	-	-	-	-
2008	2,173	1,505	668	1.00	1,711	305	55	4.75	-	-	-	-
2009	1,170	550	620	1.00	1,584	320	41	4.39	1,871	942	255	1.56
2010	1,167	565	602	1.00	1,648	335	25	4.57	1,954	775	453	1.59
2011	1,168	585	583	1.00	1,769	350	9	4.93	1,446	809	419	1.18
2012	1,173	610	563	1.00	-	-	-	-	1,714	844	383	1.40
2013	444	155	289	1.00	-	-	-	-	1,700	859	346	1.41
2014	726	525	201	1.00	-	-	-	-	1,732	897	308	1.44
2015	725	540	185	1.00	-	-	-	-	1,699	937	269	1.41

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
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	1,395,029,694	27,669	6.4
2012	53,902	1,623,872,709	30,126	5.8
2013	56,132	1,658,849,309	29,553	4.8
2014	58,839	1,791,557,254 *	30,448	3.9
2015	65,150	1,934,881,834 *	29,699	3.6

Sources: Population info from South Jordan Community Development Department.
 Unemployment rate - www.bls.gov/data/home.htm (June's numbers)
 Personal income - <http://tax.utah.gov/econstats/income/fed-returns-2000>

* 2014 and 2015 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>	2015			2006		
	<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>
Merit Medical	1,612	1	6.75%	812	2	5.00%
Jordan School District	1,392	2	5.83	986	1	6.07
Ultradent	1,030	3	4.31	700	3	4.31
Extend Health	587	4	2.46			
Walmart Supercenter	625	5	2.62	550	4	3.40
IHC Health Services	573	6	2.40			
Rio Tinto Services	524	7	2.19			
Dealer Track Systems	488	8	2.04			
City of South Jordan	481	9	2.01	381	5	2.35
Morgan Stanley Smith Barney	403	10	1.69			
LifeTime Fitness				270	6	1.66
Megaplex 20				264	7	1.63
Hewlett Packard				250	8	1.54
iBan General Holdings Corp				229	9	1.41
Altius Health Plans, Inc				203	10	1.25
Total	<u><u>7,715</u></u>		<u><u>32.30%</u></u>	<u><u>4,645</u></u>		<u><u>28.62%</u></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									
	<u>2006</u>	<u>2007</u> ¹	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government	9.75	8.25	8.25	10.25	10.25	10.25	9.16	9.22	8.26	10.02
Management Services	20.50	23.00	32.00	19.00	19.00	17.00	19.00	17.00	16.00	16.55
Finance	5.00	8.00	9.00	11.00	8.00	9.00	7.00	9.00	10.40	9.00
Planning	7.00	5.00	4.50	4.50	6.00	6.00	7.00	7.00	6.00	7.00
Building	8.00	10.00	8.00	8.00	9.00	12.00	12.00	13.00	12.00	12.00
Legal ²		6.00	6.00	7.00	7.00	6.00	6.48	6.45	6.45	6.52
Municipal Court ²		7.80	6.00	6.00	8.00	7.00	6.04	6.15	6.12	6.13
Other	7.00	11.00	15.00	24.00	22.00	19.00	23.00	24.34	25.54	28.02
Police										
Officers	41.00	48.00	50.00	49.00	48.00	50.00	47.00	50.00	50.00	47.00
Civilians	19.25	10.75	10.75	11.75	10.75	8.91	14.06	14.42	14.15	14.58
Fire										
Firefighters and Officers	44.00	42.00	46.00	46.00	45.00	47.00	45.18	47.30	48.56	48.10
Civilians	1.50	2.00	2.00	2.00	2.00	1.34	1.00	1.00	1.00	1.00
Refuse Collections	1.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Other Public Works										
Engineering	15.50	19.50	20.00	20.00	19.00	18.00	17.00	16.00	17.00	17.00
Streets ²		12.00	12.00	13.00	12.00	12.00	13.00	13.16	13.70	14.13
Storm Drain ²		5.00	8.00	10.00	8.00	8.00	8.00	9.16	9.00	9.00
Other	39.00	12.00	11.00	11.00	13.00	13.00	14.00	13.37	13.54	14.66
Redevelopment	1.00	1.00	2.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00
Parks and Recreation	76.50	45.50	53.25	47.00	50.25	58.25	72.91	66.80	58.30	48.81
Water	14.00	17.00	17.00	19.00	19.00	18.00	19.00	18.16	19.07	20.07
Total	<u>310.00</u>	<u>295.80</u>	<u>323.75</u>	<u>321.50</u>	<u>319.25</u>	<u>323.75</u>	<u>344.83</u>	<u>345.53</u>	<u>339.09</u>	<u>333.59</u>

Source: The City of South Jordan HR Department

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

² New function breakout

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Building permits issued	1,772	1,678	1,397	1,064	1,086	1,058	1,296	1,611	1,501	1,572
Building inspections conducted	46,760	55,350	47,269	41,852	52,873	37,178	50,533	54,680	50,283	59,103
Police										
Physical arrests	1,008	984	1,118	1,248	960	927	799	810	745	1,001
Parking violations	586	902	601	401	558	490	381	624	413	515
Traffic violations	12,485	11,466	12,882	11,892	10,395	10,327	9,247	8,712	8,490	10,124
Fire										
Emergency responses	2,174	2,256	2,315	2,472	2,401	2,546	2,020	2,561	2,710	2,998
Fires extinguished	134	146	121	123	807	981	110	84	79	76
Inspections	2,860	2,127	951	1,474	1,237	1,537	272	693	705	850
Other public works										
Street resurfacing (miles)	6	39	2	13	2	3	7	26	30	42
Potholes repaired	2,080	1,700	14,720	10,200	12,000	2,400	996	501	70	348
Parks and recreation										
Athletic field permits issued	6	7	8	6	7	8	7	7	7	8
Community center admissions	5,420	7,590	11,364	14,176	16,433	18,011	22,263	22,144	23,344	24,978
Water										
New connections	905	1,035	872	689	1,180	840	885	587	640	1,301
Water main breaks	132	74	126	222	35	130	117	77	74	50
Average daily consumption (thousands of gallons)	9,547	12,431	11,378	10,587	10,484	9,659	10,830	13,417	12,170	12,250
Peak daily consumption (thousands of gallons)	22,148	24,194	27,139	25,382	26,523	27,317	25,370	30,080	31,730	30,670

Source: The City of South Jordan

Note: Community Center admissions is an estimate

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	44	49	51	52	52	52	52	52	52	52
Fire Stations	2	2	2	2	2	2	2	2	2	2
Other public works										
Streets (City-maintained miles)	185	195	207	216	220	222	225	243	251	265
Streetlights	3,785	3,965	4,096	4,230	4,355	4,521	4,756	5,001	5,216	5,463
Storm drain (miles)	104	117	123	125	125	126	127	118	119	129
Traffic signals	12	15	12	13	10	15	15	26	27	27
Parks and recreation										
Acreage	388	388	388	400	400	400	400	400	400	400
Playgrounds	16	16	16	16	18	18	20	20	20	22
Baseball/softball diamonds	9	9	9	10	10	10	10	10	10	10
Soccer/football fields	9	9	9	9	9	9	9	9	9	9
Basketball/tennis courts	11	11	11	11	12	12	12	12	12	12
Fishing ponds	2	2	2	2	2	2	2	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water										
Culinary water lines (miles)	244	267	277	279	306	310	313	320	332	344
Irrigation water lines (miles)	95	101	157	161	98	98	167	115	116	116
Fire hydrants	2,416	2,475	2,672	2,805	2,836	2,897	2,929	3,091	3,183	3,327
Storage capacity (thou. of gallons)	14,000	18,000	18,000	18,000	18,000	33,600	33,600	33,600	33,600	33,600

Source: The City of South Jordan

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INTERNAL CONTROL AND COMPLIANCE REPORTS



**INDEPENDENT AUDITORS' 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**

Members of the City Council
City of South Jordan, Utah

We have audited, in accordance with the 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, 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 (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 22, 2015.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City's basic financial statements will not be prevented, or detected and corrected on a timely basis. 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 charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the City's basic financial statements are free from 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 basic 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*.

We noted certain matters that we reported to the City in a separate letter dated December 22, 2015.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Penny Bowler Taylor & Kim

Salt Lake City, Utah
December 22, 2015

Independent Auditors' Report on Compliance and on Internal Control over Compliance in Accordance with the *State Compliance Audit Guide*

To the Honorable Mayor and Members of the City Council
City of South Jordan

Report on Compliance with General State Compliance Requirements and for Each Major State Program

We have audited City of South Jordan's (the City) compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Utah Retirement Systems
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Open and Public Meetings Act
- Conflicts of Interest
- Nepotism

The City received State funding from the following program classified as a major program for the year ended June 30, 2015:

- B&C Road Funds

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance 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 Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. 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 on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated December 22, 2015. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the letter to management. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

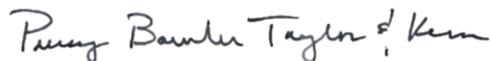
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in our letter to management dated December 22, 2015 that we consider to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit is described in the letter to management. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

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 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 22, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Salt Lake City, Utah
December 22, 2015

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