



Photo: A copy of a report released April 11, 2014 by Standard & Poor's RatingsDirect credit rating agency that upgraded South Jordan's 2005 Municipal Building Authority bonds from "AA" to "AA+". Photo courtesy Chip Dawson, City of South Jordan.

S&P Raises South Jordan Municipal Building Authority Bond Rating

April 28, 2014

On April 11, 2014, Standard & Poor's credit ratings service, RatingsDirect, raised the ratings of the South Jordan Municipal Building Authority bond rating from "AA" to "AA+". According to Standard & Poor's credit rating definitions, an "AA" rating indicates a "very strong capacity to meet financial commitments", and that "the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories". In addition, the ratings agency said the outlook for the bond rating was "stable".

Standard & Poor's cited South Jordan's strong economy, budgetary performance and flexibility, and financial management practices as primary reasons for the rating increase. Traditionally Standard & Poor's rating of the economic strength of a city and its management practices establish a large part of a rating. The credit report noted South Jordan's projected per capita effective buying income of 107% of the national level. South Jordan's median household effective buying income was found to be 152% and 165% of state and national levels.

South Jordan's budget was noted for having flexibility because of its assigned and unassigned general fund reserve levels. The report noted that the City is budgeting for general fund reserves to increase slightly in 2014. Also noted were the "strong" financial management policies and practices and the strong liquidity of the City's cash reserves. The strong institutional framework for all of Utah's cities was also a factor in the increased rating.

“The fiscal health of South Jordan is a priority for me. This independent verification of the credit worthiness of the City in relation to its bonds helps elected officials and residents know that the finances of the City are moving in the right direction. I appreciate all that our staff has done to earn this distinction and thank them for their efforts” Mayor Dave Alvord said. A copy of the report follows this information.

To see Standard & Poor’s ratings methodology and assumptions for U.S. Local Government General Obligation Ratings, visit:

http://www.standardandpoors.com/spf/upload/Events_US/US_PF_Email_goart192013.pdf