



# CITY OF WEST JORDAN

## Annual Comprehensive Financial Report

For Fiscal Year Ended  
June 30, 2021



# **Annual Comprehensive Financial Report**

**For Fiscal Year Ended June 30, 2021**

## **City of West Jordan Finance Department**

Danyce Steck, CPFO - Administrative Services Director  
Frank Evans - Controller  
Tyler Aitken - City Treasurer  
Jeremy Olsen - Sr Management Analyst  
Joe Bryant - Purchasing Manager  
Michelle Thompson - Accountant II



**CITY OF WEST JORDAN, UTAH**

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## **INTRODUCTORY SECTION**



**For Fiscal Year Ended June 30, 2021**



*Change in the Form of Government*

December 14, 2021

Honorable Mayor, Members of the City Council, and Citizens of West Jordan:

The Annual Comprehensive Financial Report (ACFR) of the City of West Jordan, Utah (the City) for the fiscal year ended June 30, 2021 is submitted herewith. This report has been prepared by the City's Administrative Services Department in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board.

### **Overview**

State law requires that general-purpose local governments publish a complete set of financial statements in accordance with GAAP within six months of the close of each fiscal year. State law also requires that the report be audited in accordance with generally accepted auditing standards by a licensed certified public accounting firm.

As required by State law, an annual audit has been completed by Keddington & Christensen, LLC, an independent public accounting firm, in order to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2021, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is included in the financial section of this report.

The City is required to undergo a federal single audit. Such audits are based on the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the opinion on the schedule of expenditures of federal awards, the auditors' reports on compliance and internal controls over financial reporting in accordance with Generally Accepted Governmental Auditing Standards (GAGAS), and the auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), are available in a separate report.

GAAP 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 immediately follows the independent auditors' report.

This ACFR has been prepared by the City's Administrative Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management. Management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse; and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City's internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met.



## **Government Profile**

The City of West Jordan was incorporated on January 10, 1941. The City of West Jordan has a population of 116,961 making it the third-largest city in the state, and a city of the first class, as defined by the State of Utah. At build-out, the City is projected to have a population of 175,000. It is located within the Salt Lake metropolitan area and is approximately 32.02 square miles in size.

The City provides a full range of services to its businesses and residents. These include police and fire protection, culinary water, sanitary sewer, solid waste and recycling collection and disposal, construction and maintenance of roadways, parks and recreation facilities, street lighting, celebrations, and other cultural events.

In November 2017, the citizens of West Jordan voted to approve a change in the form of government from Council-Manager to Council-Mayor. The effective date of this change is January 6, 2020. This change assigns the executive functions of the City to the elected mayor and the legislative functions of the City to an elected seven-member council. The Council is responsible for passing ordinances, adopting the budget, as well as appointing committees. The Mayor is responsible for carrying out the ordinances and policies adopted by the City Council as well as managing the day-to-day operations of the City including but not limited to organizing the departments and services within the appropriated budget.

Component units are entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are considered to be part of governmental operations, and so are included in the City's budget reporting and financial statements.

Utah state law requires the City to adopt a budget for all funds on an annual basis, and requires that all funds maintain a balanced budget, with some limited exceptions. State law also requires that departmental expenditures do not exceed appropriated funding levels, except in cases of emergency (such as a natural disaster). Budgetary control is maintained at the department level for the General Fund and at the fund level for all other funds. Authority to revise approved budgets rests with the City Council, which may be accomplished following the completion of noticing and hearing requirements.

## **Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of West Jordan operates.

### *State Economy*

According to the State of Utah's 2021 Economic Report to the Governor, Utah's longest expansion period (10 years) ended in 2020 with the economic challenges presented as a result of COVID-19 and a public health crisis.

In April 2020, the unemployment rate climbed to approximately 10%. But by November, Utah's unemployment rate had dropped to 4.3% which was one of the smallest employment declines (-0.2%) of any state. Nationwide employment was down -6.0% and the unemployment rate was 6.7%.

While the job market in Utah has fared better than any other state, not all industries avoided the impact of COVID-19. Tourism has been hit hard with national park visits down 32% and accommodations services (hotels and motels) down 22%. Retail sales activity overall has been surprisingly strong as consumers altered their spending patterns away from non-taxable spending (travel, entertainment, and personal services) towards taxable goods. The 2020 forecast for taxable retail sales shows an increase of 13.3%, with home improvement and grocery stores performing particularly strong.

Utah exports in 2020 are forecast to reach the third-highest year on record, with electronics and agricultural products among Utah's major export products.

The forecast for residential construction shows a record high of 30,745 dwelling units, surpassing the previous record of 28,285 in 2005. The value of residential construction (single-family and multi-family) will top \$6.3 billion which is the best year since 2006.

Despite the changes brought on by COVID-19, historically low mortgage rates continue to support housing demand and have resulted in an increase in housing prices. The median sales price of a single-family home in Utah will be up by 11% to \$385,000 in 2020. The construction boom includes nonresidential construction with \$2.3 billion in value in 2020. The total value of permit authorized construction (residential, nonresidential, and additions, alterations, and repairs) will be \$10.3 billion in 2020, a record year as well.

While the public health crisis has been tragic, the impact of the pandemic on the Utah economy has been much milder than initially expected. A strong recovery is forecast for 2021, with employment increasing by 58,000 jobs, which would be the largest single-year increase in employment in Utah's history.

### *Local Economy*

Similar to the State of Utah, the effect of the pandemic on the West Jordan economy has had less of an impact than initially expected. The diversification of the City's retail businesses has provided a strong foundation for sustainability even in the most challenging of environments. Taxable retail sales activity experienced a record high with a year-over increase of 15.5%.

In June 2020, the unemployment rate in Salt Lake County doubled to 6.0% from 3.0% in June 2019. Yet by June 2021, the unemployment rate was 3.2% which is the third-lowest rate over the past decade and only 0.2% above the record low in 2019. As the labor market continues to restrict, wages have increased as per capita income has grown by over 6.5%.

Residential construction showed a record high of 2,009 permits issued in FY 2021 and 236 commercial building permits issued. The City is working with major developers on several large master-planned communities as well industrial and commercial developments with some residential mixed-use. The economic impact of these developments is not only important for the City but also the State of Utah.

With the largest contiguous acreage of undeveloped land in Salt Lake County, West Jordan is one of only two areas remaining in the County where new large-scale industrial development can take place. In addition, the City's resident labor force represents just over 10% of Salt Lake County's which has proven to be a major asset in attracting commercial and industrial development.

West Jordan is currently home to the 1.2 million square-foot Amazon Fulfillment Center (opened in 2020), Boeing's 700,000 square-foot manufacturing facility, Dannon's second-largest U.S. food manufacturing facility, a 200,000 square-foot Oracle data center, Sysco Intermountain Foods, and other large industrial and commercial businesses.

The City is equally committed to redevelopment and revitalization efforts within the more developed city center. As an example of this commitment, the City worked to create interest in a company to occupy a vacant semiconductor manufacturing facility. Aligned Energy became the occupant and retrofit the facility to a state-of-the-art adaptable data center that now serves PayPal and other customers. This year, Aligned Energy completed the construction of a new 450,000 square-foot campus to host additional customers. Future phases will create new retail pad sites along a major transportation corridor.

While many parts of the nation are still recovering from the negative economic impacts of the health pandemic, the City's local economy has stayed the course. While many businesses such as hotels, movie theaters and other entertainment companies experienced extended economic challenges for most of the fiscal year, the City's grocery, building improvement stores, general merchandise retailers, and restaurants have experienced significant growth in sales which have translated into 17.6% growth in sales tax revenue.

The City has continued to support businesses with resources to assist them in identifying ways to deliver goods and services in a changing environment. Because of the economic investment and foundation built by the City over the last several years, the challenges placed on us by COVID-19 have provided an opportunity for innovation and continued development.

### **Long-term Financial Planning**

The City continues to be responsible and responsive to changes in the underlying economy and its potential impact on the City's ability to sustain services. Five-year financial plans have been developed and adopted in the annual budget. On-going revenues are dedicated to support on-going expenses and one-time revenues are dedicated to one-time purchases.

The City recognizes that trend analysis is no longer a predictor of future behavior and is mindful of how possible inflation may influence consumers and taxpayers. Economies are changing rapidly and the City remains dedicated to long-term financial sustainability.


### **Awards & Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of West Jordan for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This marks the 39<sup>th</sup> consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award and recognizes the conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, with contents conforming to program standards. A Certificate of Achievement is valid for a period of one year. This report has been prepared to strictly follow the guidelines recommended by the GFOA and has been submitted to determine its eligibility for a Certificate of Achievement.

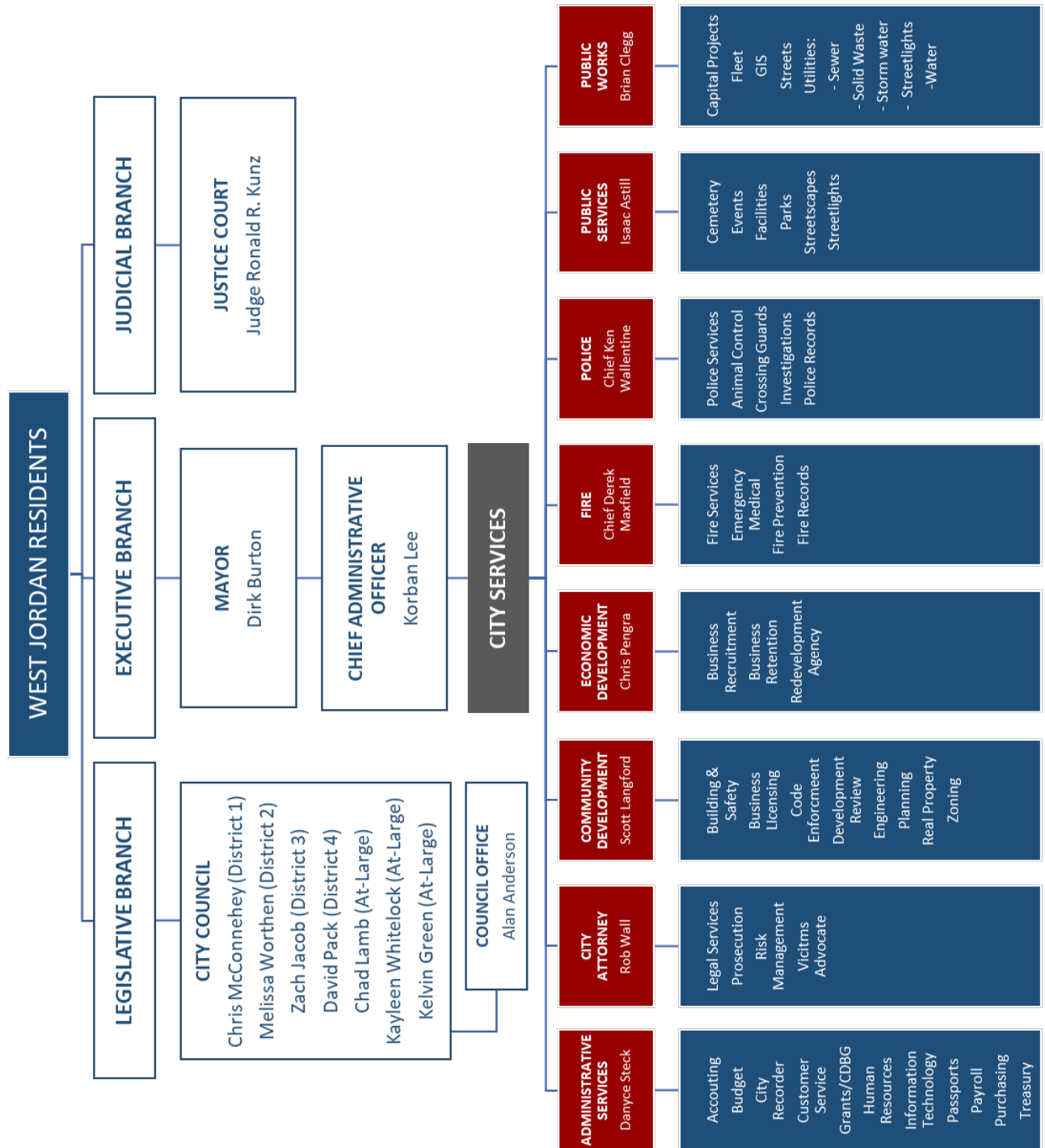
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the City's Administrative Services Department staff and Keddington and Christensen LLC. Each member of the team has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of the City of West Jordan, preparation of this report would not have been possible.

Respectfully Submitted,



Danyce Steck, CPFO  
Administrative Services Director

**ORGANIZATIONAL CHART**





**ELECTED OFFICIALS AND ADMINISTRATION**

**Elected Officials**

Mayor .....	Dirk Burton
Councilmember At-large .....	Chad Lamb
Councilmember At-large .....	Kayleen Whitelock
Councilmember At-large (Council Vice-Chair).....	Kelvin Green
Councilmember – District 1 .....	Chris McConnehey
Councilmember – District 2 .....	Melissa Worthen
Councilmember – District 3 (Council Chair) .....	Zach Jacob
Councilmember – District 4 .....	David Pack

**Appointed by Mayor and Council**

Chief Administrative Officer .....	Korban Lee
City Attorney .....	I. Robert Wall
City Engineer .....	Nathan Nelson
City Recorder .....	Tangee Sloan
City Treasurer .....	Tyler Aitken
Budget Officer .....	Mayor Dirk Burton
Municipal Court Judge .....	Ronald Kunz

**Management Team**

Mayor .....	Dirk Burton
Chief Administrative Officer .....	Korban Lee
City Attorney .....	Robert Wall
Director of Administrative Services .....	Danyce Steck
Director of Community Development .....	Scott Langford
Director of Economic Development .....	Chris Pengra
Director of Information Technologies .....	Robert Allred
Director of Public Services .....	Isaac Astill
Director of Public Works .....	Brian Clegg
Fire Chief .....	Derek Maxfield
Municipal Court Judge .....	Ronald Kunz
Police Chief .....	Ken Wallentine



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of West Jordan  
Utah**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

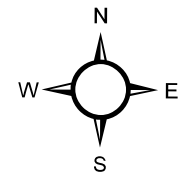
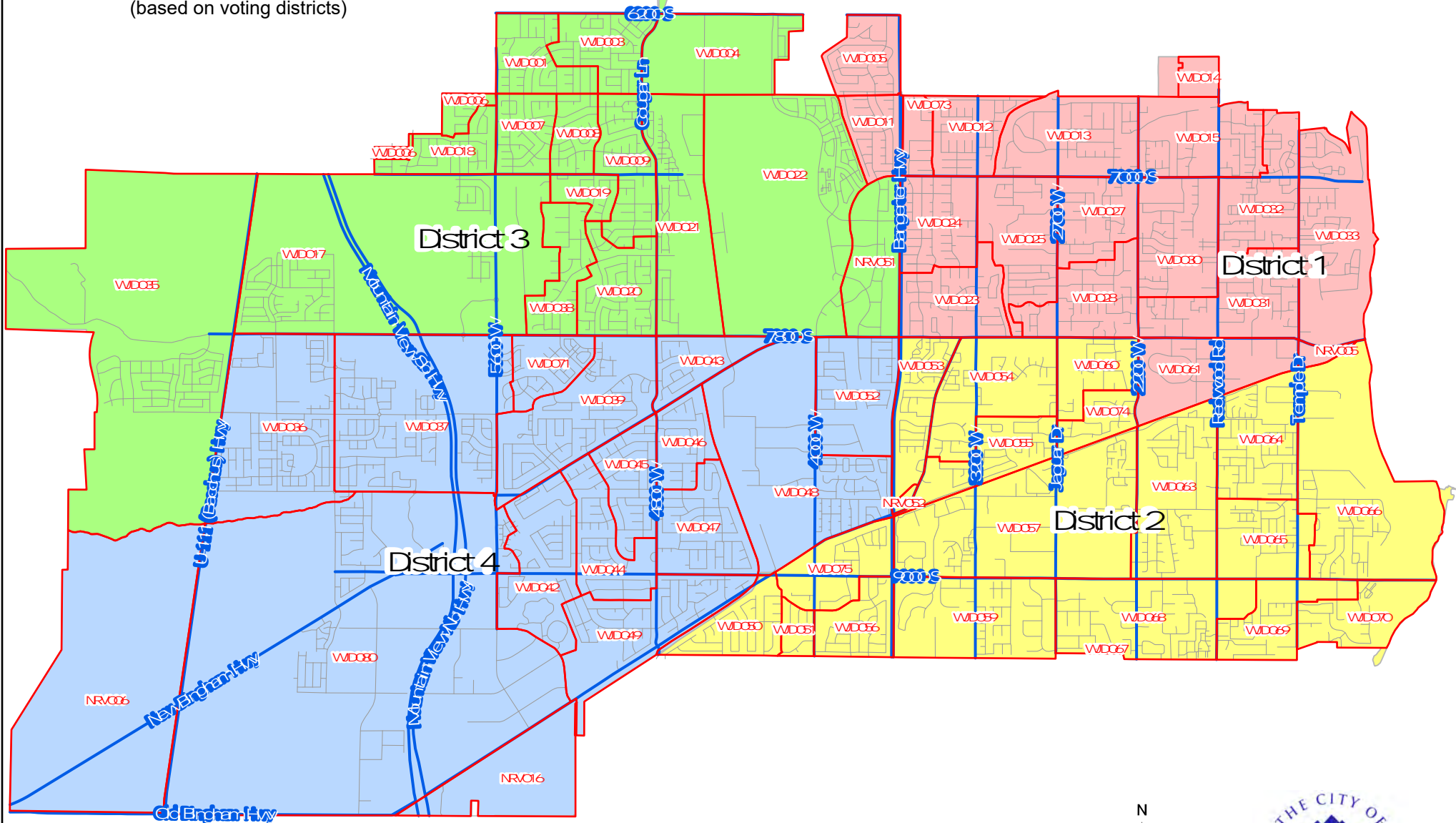
June 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# CITY MAP

(based on voting districts)



## **FINANCIAL SECTION**



**For Fiscal Year Ended June 30, 2021**





*Veteran's Day – November 2021*



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of City Council  
City of West Jordan, Utah

### Report on the Financial Statements

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 West Jordan, Utah as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of West Jordan, Utah's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements in order to design 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of the City of West Jordan, Utah as of June 30, 2021, 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**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20-42, budgetary comparison information on pages 116-117, and pension schedules on pages 118-121, 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 opinions on the financial statements that collectively comprise the City of West Jordan, Utah's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and budgetary comparison schedules, listed as supplemental information in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 combining and individual nonmajor fund financial statements and the budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

### **Other Report Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2021, on our consideration of the City of West Jordan, Utah's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City of West Jordan, Utah's 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 of West Jordan, Utah's internal control over financial reporting and compliance.

*Keddington & Christensen, LLC*

Salt Lake City, Utah  
December 10, 2021

As management of the City of West Jordan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of West Jordan for the fiscal year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the Letter of Transmittal.

## 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 2021 by \$665,260,838 (net position). Of this amount, \$77,646,411 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$58,123,924 which includes a prior period adjustment of \$3,192,814 due to a restatement of depreciation. Of this increase, \$41,028,109 (70.6%) is attributable to governmental activities, and \$17,095,815 (29.4%) to business-type activities.

The increase for governmental activities can be attributed to a combination of several factors, including federal grants, donated infrastructure, sales tax due to changes in consumer behavior, and changes in the net pension liability. While resources increased, uses remained consistent with the prior year excluding a prior year purchase of land. Expenses for both fiscal years 2021 and 2020 included significant changes in the way services were delivered due to the health pandemic and resulted in an operational spending decrease of 7% from prior fiscal years 2019 and 2018.

The increase for business-type activities is intended to support the City's five-year utility plans. Over the past two (2) fiscal years, the City has been in the process of design and engineering to prepare for the construction of several water storage tanks and other supporting infrastructure and maintenance projects. This minimizes expense for the short-term. In addition, the City carefully manages its debt coverage ratio to comply with bond covenants. The requirement is 1.2 times operating revenue to operating expense per year.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$73,042,412 which is an increase of \$18,419,185 from the prior fiscal year. This is largely due to the receipt of federal grant funds, sales tax growth, and a transfer in from the proprietary funds.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$20,927,818 or 23.6 percent of actual general fund revenues. The general fund's net change of fund balance was an increase of \$10,120,685. The general fund received the \$5.2 million in federal CARES act funding and \$4.3 million in sales tax growth. The general fund also controlled spending to a less than 3% increase.
- The City's total long-term liabilities (excluding net pension liability) decreased by \$(4,676,904), or 9.65 percent. This is largely due to the repayment of bond and lease principal.
- The City refunded the Series 2013 and Series 2017 water revenue bonds in February 2021 to extend the debt by 3 years (from June 2027 to June 2030) in exchange for reducing the annual debt service requirement by 50%.

## REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City of West Jordan'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

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

*The Statement of Net Position* presents information on the City's assets, liabilities, and deferred outflows/inflows 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 of West Jordan 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 most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish between the governmental activities and business-type activities of the City. Governmental activities are principally supported by taxes and intergovernmental revenues, while business-type activities are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, community development, public safety, highways and public improvements, and parks and recreation. The business-type activities of the City include utilities (water, sewer, solid waste, storm water, and streetlights).

## FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City of West Jordan, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds or proprietary funds (business-type).

### A. Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the 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.

## FUND FINANCIAL STATEMENTS

### A. Governmental Funds (continued)

Governmental funds report the difference between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balances, which are divided into non-spendable, restricted, committed, assigned, and unassigned portions.

- *Non-spendable* balances include inventories 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, 2021, the City's combined governmental fund balance is \$73,042,412. Of that balance, \$1,878,070 is nonspendable, \$26,116,050 is restricted, \$24,210,539 is assigned, and \$20,837,753 is unassigned. Additional details regarding governmental fund balances can be found in Note 1 and Note 20 of the Notes to the Financial Statements 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 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 twelve (12) individual governmental funds:

- General Fund
- Redevelopment Agency Fund (RDA)
- Capital Projects Fund (CIP)
- Grants Fund
- Municipal Building Authority Fund (MBA)
- Class C Roads Fund
- Fairway Estates Special Recreation District Fund
- Highlands Special Improvement District Fund
- KraftMaid Special Improvement District Fund
- Community Development Block Grant Fund
- Police Impact Fee Fund
- Fire Impact Fee Fund

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 Fund, Redevelopment Agency Fund, Capital Projects Fund, and Grants Fund which are considered major funds. Individual fund data for the other non-major governmental funds is provided in the Supplementary Information section of this report.

## FUND FINANCIAL STATEMENTS (continued)

### A. Governmental Funds (continued)

The City adopts an annual appropriated budget for its government funds. A budgetary comparison statement has been provided for these funds to demonstrate budgetary compliance.

### B. Proprietary Funds

The City maintains two different types of proprietary funds – enterprise funds and internal service 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, sewer, solid waste, storm water, and streetlight utilities.

*Internal service funds* are used to report the activities that provide goods or services to other funds on a cost-reimbursement basis. The City uses internal service funds to account for the acquisition and maintenance of its vehicles and equipment in the Fleet Management Fund, the management of its information technology infrastructure in an IT Management Fund, and the management of its self-insurance program in the Risk Management Fund. Since these services predominantly benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Individual fund information is provided in the form of combining statements in the Supplementary Information section of this report.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the major funds - water, sewer, and storm water funds. Information from the non-major proprietary funds is combined into a single, aggregated presentation. Individual fund information for these funds is provided in the form of combined statements in the Supplementary Information section of this report.

### C. 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.

### D. Required Supplementary Information (RSI)

This section contains budget to actual comparison statements for the City's General Fund and Redevelopment Agency Fund. This section also contains required supplementary information for the City's pension program.

### E. Other Information

In addition to the above-mentioned statements and reports, this report also presents an additional supplementary information section and a statistical section which both give more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's nonmajor funds and fiduciary fund, 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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table summarizes the City’s net position:

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Current and noncurrent assets	\$ 128,060,907	\$ 101,653,906	\$ 48,449,519	\$ 39,732,522	\$ 176,510,426	\$ 141,386,428
Capital assets	362,082,712	349,440,639	232,244,660	224,609,522	594,327,372	574,050,161
Total assets	490,143,619	451,094,545	280,694,179	264,342,044	770,837,798	715,436,589
Total deferred outflows of resources	8,054,687	8,371,197	615,340	620,380	8,670,027	8,991,577
Long-term liabilities	33,046,445	37,093,932	10,726,595	11,356,012	43,773,040	48,449,944
Net pension liability	3,525,771	8,741,677	272,485	656,916	3,798,256	9,398,593
Other liabilities	26,405,717	25,276,557	5,943,062	6,085,390	32,348,779	31,361,947
Total liabilities	62,977,933	71,112,166	16,942,142	18,098,318	79,920,075	89,210,484
Total deferred inflows of resources	33,403,763	27,565,075	923,149	515,693	34,326,912	28,080,768
Net position:						
Net investment in capital assets	328,913,599	311,650,755	227,172,722	217,290,926	556,086,321	528,941,681
Restricted	26,193,208	22,525,824	5,334,898	7,852,825	31,528,106	30,378,649
Unrestricted	46,709,803	26,611,922	30,936,608	21,204,662	77,646,411	47,816,584
Total net position	\$ 401,816,610	\$ 360,788,501	\$ 263,444,228	\$ 246,348,413	\$ 665,260,838	\$ 607,136,914

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 West Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$665,260,838 as of June 30, 2021. This is an increase of \$58,123,924 from the previous fiscal year.

As of June 30, 2021, the City can report positive balances in all three categories of net position – government-wide, governmental activities, and business-type activities.

All funds reported positive fund balances for all categories of net position.

- *Net Investment in Capital Assets* - By far the largest portion of the City’s position (81.9%) reflects its investments in capital assets (e.g., land, buildings, infrastructure, equipment, intangibles, and construction in progress), less any outstanding related debt used for acquisition of those assets. 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.
- *Restricted Net Position* – This portion of net position represents resources that are subject to external restrictions on how they may be used. Impact fee reserves, state fund reserves, funds restricted for redevelopment, debt service reserves, and federal fund reserves qualify under this category.
- *Unrestricted Net Position* - The amount reported as unrestricted net position may be used to meet the government’s ongoing obligations to citizens and creditors.



**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

The following table summarizes the City's operations:

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 15,092,741	\$ 16,234,388	\$ 59,042,021	\$ 56,524,055	\$ 74,134,762	\$ 72,758,443
Operating grants and contributions	11,707,250	9,194,818	-	-	11,707,250	9,194,818
Capital grants and contributions	16,919,163	11,833,145	4,425,617	5,874,120	21,344,780	17,707,265
General revenues						
Sales tax	29,007,979	24,666,933	-	-	29,007,979	24,666,933
Property tax	18,091,686	17,458,532	-	-	18,091,686	17,458,532
Tax increment	4,335,581	4,262,252	-	-	4,335,581	4,262,252
Franchise tax	7,553,010	7,382,471	-	-	7,553,010	7,382,471
Investment income	335,019	1,012,280	140,956	421,093	475,975	1,433,373
Gain on disposal of assets	88,377	25,617	-	13,800	88,377	39,417
Miscellaneous	293,231	1,371,572	-	-	293,231	1,371,572
<b>Total revenues</b>	<b>103,424,037</b>	<b>93,442,008</b>	<b>63,608,594</b>	<b>62,833,068</b>	<b>167,032,631</b>	<b>156,275,076</b>
<b>Expenses</b>						
General government	8,782,415	8,524,003			8,782,415	8,524,003
Community development <sup>1</sup>	4,625,371	5,545,430			4,625,371	5,545,430
Public safety	31,211,599	33,837,711			31,211,599	33,837,711
Highways & public improvements <sup>1</sup>	17,435,624	19,260,702			17,435,624	19,260,702
Parks, recreation, and culture	4,860,134	6,082,497			4,860,134	6,082,497
Debt - Interest and fiscal charges	1,125,599	1,269,110			1,125,599	1,269,110
Water			23,069,940	22,152,872	23,069,940	22,152,872
Sewer			10,068,919	11,323,226	10,068,919	11,323,226
Solid waste			4,952,517	4,867,535	4,952,517	4,867,535
Storm water			4,908,997	3,949,958	4,908,997	3,949,958
Streetlight			1,060,406	429,043	1,060,406	429,043
<b>Total expenses</b>	<b>68,040,742</b>	<b>74,519,453</b>	<b>44,060,779</b>	<b>42,722,634</b>	<b>112,101,521</b>	<b>117,242,087</b>
Increase (decrease) in net position before transfers	35,383,295	18,922,555	19,547,815	20,110,434	54,931,110	39,032,989
Transfers - net	2,467,651	-	(2,467,651)	-	-	-
Increase (decrease) in net position	37,850,946	18,922,555	17,080,164	20,110,434	54,931,110	39,032,989
Net position at beginning of year	360,788,501	341,865,946	246,348,413	226,237,979	607,136,914	568,103,925
Prior period adjustment	3,177,163	-	15,651	-	3,192,814	-
<b>Net position at end of year</b>	<b>\$ 401,816,610</b>	<b>\$ 360,788,501</b>	<b>\$ 263,444,228</b>	<b>\$ 246,348,413</b>	<b>\$ 665,260,838</b>	<b>\$ 607,136,914</b>

<sup>1</sup> FY 2020 reclassification of expense between community development and highways and public improvements.

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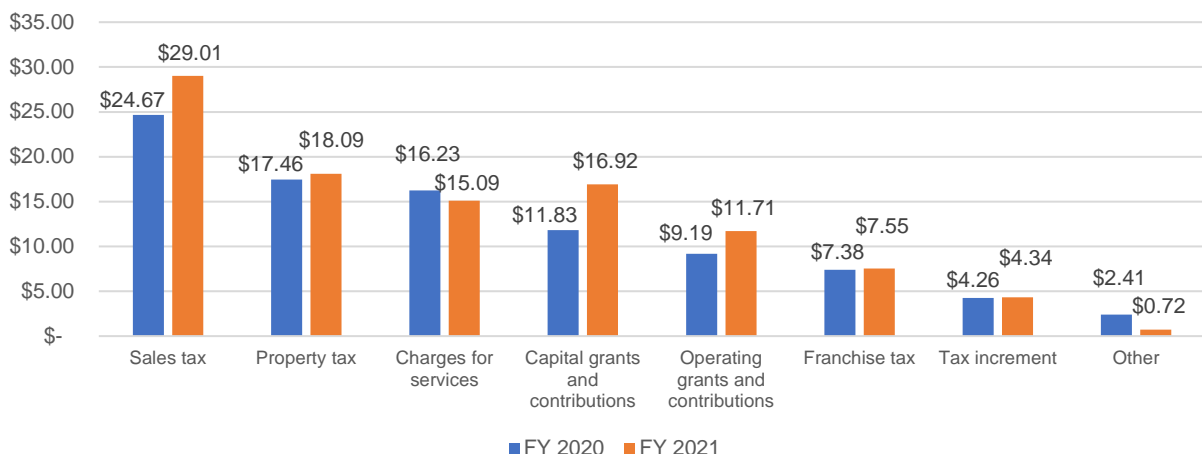
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

*Governmental Activities* – Governmental activities increased the City’s net position by \$41,028,109, which is approximately \$22.1 million more than the prior year’s increase. Key elements affecting this increase in governmental activities net position are as follows:

Total governmental activities revenue increased by \$10.0 million (10.7%) from the prior year. Primary factors in this change include the following:

- The State of Utah authorized \$6.9 million to the City in operating grants from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. The current fiscal year recognized \$5.2 million in revenue from this source and the prior fiscal year recognized \$1.7 million. The difference is \$3.5 million.
- The City recognized \$13.7 million for the current fiscal year for donated roads, parks, and other non-utility improvements. The prior fiscal year recognized \$8.1 million of donated infrastructure. The difference is an increase of \$5.6 million.
- As a result of stay-at-home orders due to the health pandemic, the City’s realized substantial increases in sales tax revenue. This phenomenon was based on a variety of factors, including the presence of several home improvement stores and grocery stores located in the City and the diversion of consumer dollars from non-taxable services (i.e., travel and entertainment) to the purchase of taxable goods. Since sales tax is distributed to the City based on the point of delivery, sales tax increased as consumers shipped purchases to their homes as opposed to traditional purchases at ‘brick and mortar’ locations. In fiscal year 2021, the City realized an increase of \$4.34 million dollars in sales tax (17.6%). The City reported these funds as operating revenue, however, it was treated as one-time revenue for budgeting purposes.
- The State legislature authorized transportation funding of \$700,000 to the City in FY 2021 and \$1.1 million per year for the following 15 years. This funding is dedicated to road infrastructure.
- Reductions in revenue were recognized in charges for services and other revenue for a total of \$2.83 million. The negative effects of the health pandemic were most significantly experienced by the City and nation as construction development slowed and interest rates continued their downward trend. Impact fees, permitting fees, and investment income were the most significant reductions in revenue for the City.

*Governmental Activities Revenue  
 Year to Year Comparison  
 (in millions of \$'s)*



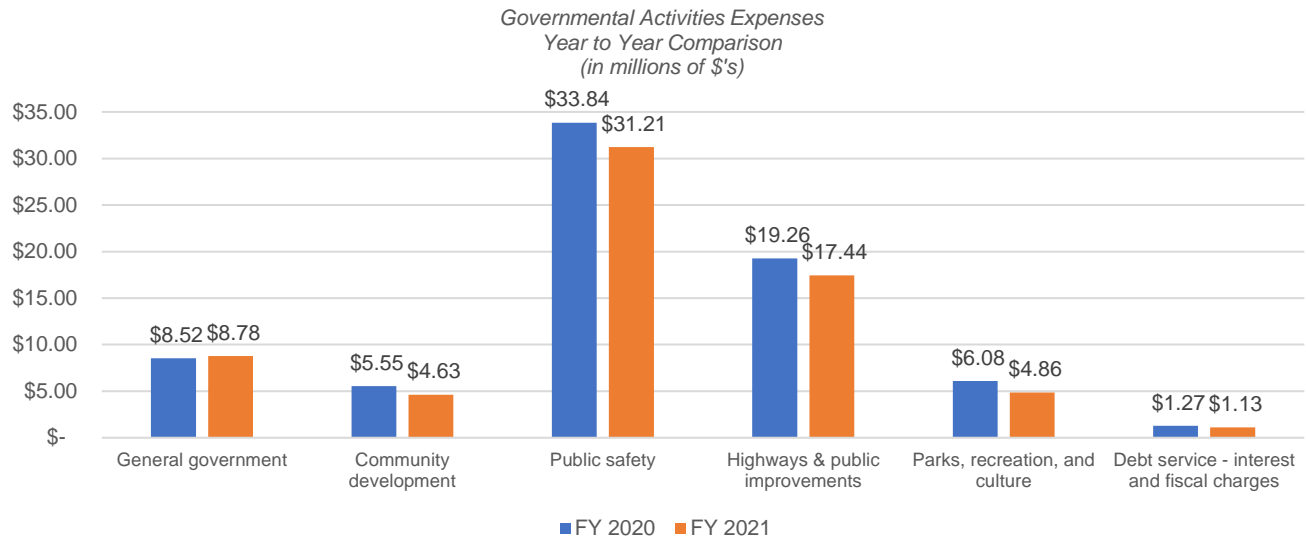
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

Total governmental activities expense decreased by \$6,478,711 (8.7%) from the prior year due to the following factors:

- Approximately 48% the decrease is related to year-end adjustments to the net pension liability. The table below illustrates the year-to-year expense for pension-related adjustments by reporting category.

Pension expense	FY 2021	FY 2020	Change
General government	\$ (568,336)	\$ (593,034)	\$ 24,698
Community development	(155,615)	336,173	(491,788)
Public safety	(1,354,360)	685,267	(2,039,627)
Highways & public improvements	(317,665)	(200,797)	(116,868)
Parks, recreation, and culture	(728,128)	(25,055)	(703,073)
	<u>\$ (3,124,104)</u>	<u>\$ 202,554</u>	<u>\$ (3,326,658)</u>

- Changes in highways and public improvements are primarily capital project related as the City continued to design and engineer larger projects which will begin construction in the next fiscal year.
- Other decreases are related to changes in service levels due to the challenges from the health pandemic and labor market shortage.



**Business-type Activities** – Business-type activities increased the City’s net position by \$17,095,815. Key elements affecting this change in business-type net position are as follows:

- Total business-type activities revenue remained stable with an increase of 1.2%.
- Total business-type activities expense also remained stable with an increase of 3.1%. Increases were all directly related to large improvement projects. The water fund is installing a radio-read meter system while the streetlight fund is installing more lighting and converting to more energy-efficient lighting options.

(continued on next page)

## FUND ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### A. 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. 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.

The following funds are classified as governmental funds of the City:

- General Fund
- Redevelopment Agency Fund
- Capital Projects Fund
- Grants Fund
- Municipal Building Authority Fund
- Class C Road Fund
- Fairway Estates
- Highlands Special Improvement District Fund
- KraftMaid Special Improvement District Fund
- Community Development Block Grant Fund
- Police Impact Fee Fund
- Fire Impact Fee Fund

As of June 30, 2021, the City's governmental funds reported combined fund balances of \$73,042,412. This represents an increase of \$18,419,185 from last year's ending balances.

Fund balances are classified based on their purpose and availability. Below are the categories of fund balance.

- *Non-spendable* – In a form that cannot be converted to cash (e.g., prepaid item)
- *Restricted* – Legally defined and not available for discretionary spending based on external restrictions
- *Committed* – Committed by formal action for a specific purpose (e.g., cemetery perpetual care), and requires formal action to amend
- *Assigned* – The City intends to use this amount for specific purposes (e.g., capital projects)
- *Unassigned* – Available for spending at the City's discretion

Of the total balance, the following amounts have been classified to:

- *Non-spendable* - \$1,878,070, or 2.6%
- *Restricted* - \$26,116,050, or 35.8%
- *Assigned* - \$24,210,539 or 33.1%
- *Unassigned* - \$20,837,753, or 28.5%

**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**General Fund**

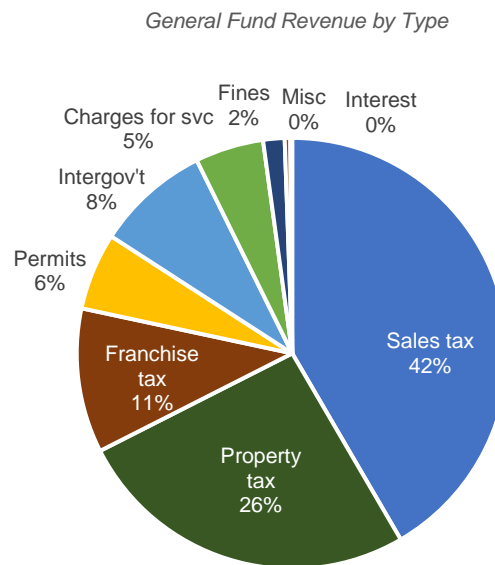
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Revenues exceeded expenditures (including other financing sources and uses) by \$12,475,721.

*General Fund Revenues*

General Fund revenue increased by \$7,255,434 (11.6%) from the prior year from primarily two (2) sources – sales tax and federal grants.

- Taxes continue to be the largest source of revenue in the general fund and represent 78.4% of total general fund revenues. The largest component of tax revenue is sales tax, which represents 53.1% of tax revenues and 41.6% of total general fund revenues. Overall, the City's diversification between tax revenue sources is balanced and not significantly dependent on one type of revenue which reduces risk to economic change.

In FY 2021, sales tax realized growth of \$4.34 million (17.6%). Prior to the pandemic, the City was averaging base sales tax revenue growth of approximately 6.2 percent. However, during the pandemic, the City's home improvement, grocery, and general merchandise retailers experienced strong sales. In addition, online sales continued their upward trend. These retail categories compensated for the many others that were no longer providing goods or services at the same level. In order to provide for long-term sustainability, the City allocated sales tax in excess of the 6.2 percent growth for one-time uses.



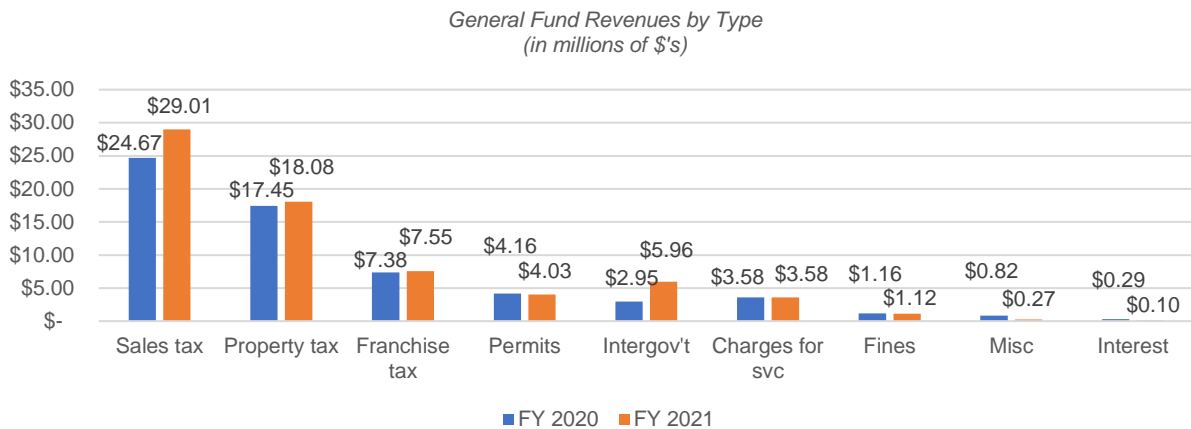
- This fiscal year, the general fund also received \$5.2 million in federal funding from the Coronavirus Aid, Relief, and Economic Security (CARES) Act via the State of Utah. This funding is considered one-time revenue by the City.
- Property tax also realized a slight increase (\$633,277, or 3.6%) due to growth and development.

**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**General Fund (continued)**

*General Fund Revenues (continued)*



*General Fund Expenditures*

General fund expenditures increased by \$1,617,397 (2.9%) to \$57,240,816 in the current year from \$55,623,419 in the prior year. While there were several changes that occurred during the fiscal year to decrease expense, the effects of the health pandemic forced the City to spend differently than in the past.

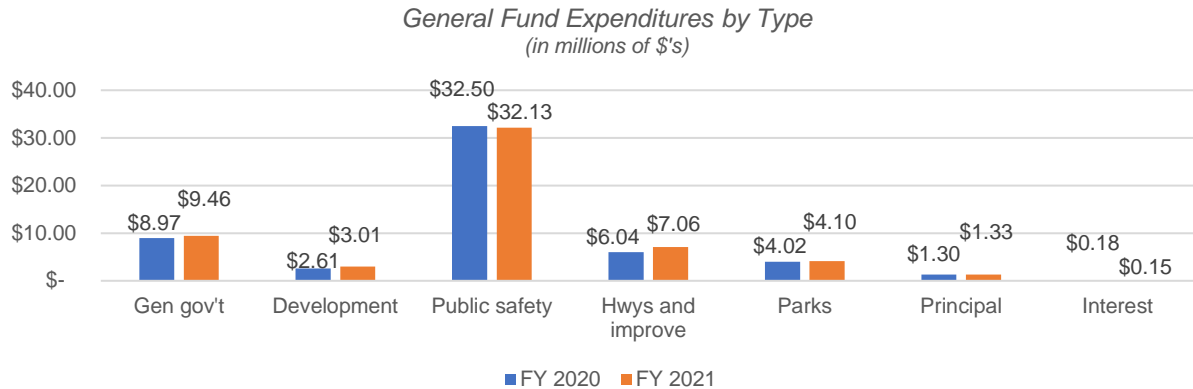
- The City incurred \$5.2 million in direct and indirect pandemic-related expenses.
- FY 2021 was the first full fiscal year after a structural reorganization which eliminated approximately 44 full-time positions in preparation for the financial effects of the health pandemic. The total savings to the general fund was approximately \$3.0 million.
- Personnel cost as well as operational costs from changes in the labor market and the pandemic account for a savings of approximately \$1.6 million.
- The lease expense for the public work building was transferred from the class C roads fund to the general fund. The total increase to the general fund was \$506,316.
- The City incurred a one-time expense to pay out all retirees of leave time due.

**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**General Fund (continued)**

*General Fund Expenditures (continued)*



*General Fund Transfers*

The City transferred in \$2.47 million from the proprietary funds to the general fund. This is the first year this type of transfer has been approved. The City currently receives a 6% franchise fee from utilities other than those operated by the City in exchange for the use of the City's property for the delivery of those services. In FY 2021, the City approved a transfer of 5% of proprietary utility fund revenue to the general fund for a similar purpose. This resource will provide for continued maintenance of the City's infrastructure.

The City transferred out \$4.82 million from the general fund to the capital projects fund for improvement and maintenance projects. This transfer was sourced with \$2.47 million from the transfer in from the proprietary funds and \$2.35 million from sales tax revenue.

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**FUND ANALYSIS (continued)**

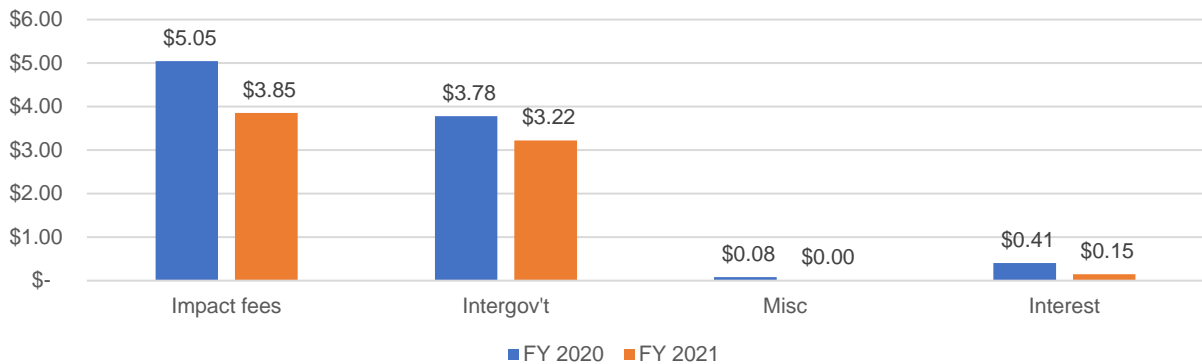
A. Governmental Funds (continued)

**Capital Improvement Projects Fund**

The capital improvement projects (CIP) fund balance increased by \$6,875,156 to a total of \$36,172,785 in FY 2021.

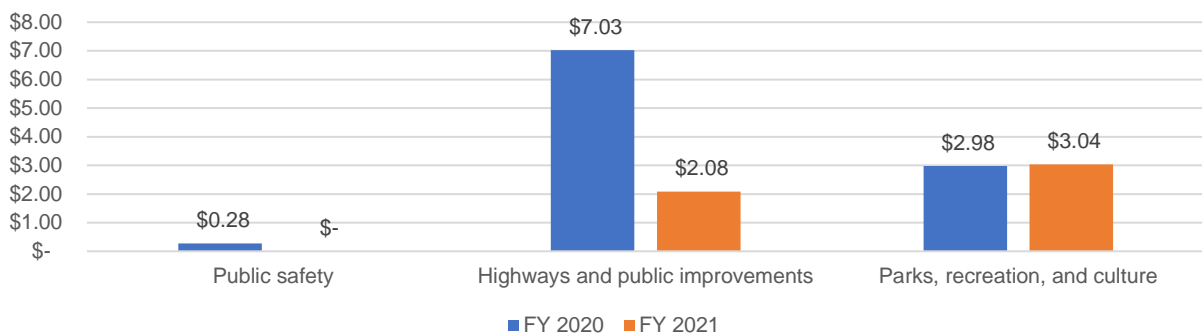
In FY 2021, the CIP fund reported a decrease (22.5%) in all revenue types. Development slowed with challenges in the labor market and supply chain for construction materials which affected impact fee revenues for the year. In addition, interest rates decreased further which impact interest revenue.

*Capital Projects Fund Revenues by Type  
 (in millions of \$'s)*



Expenditures in FY 2021 decreased by \$5,161,493 (50.2%). Since the majority of the construction season for this fiscal year was during the height of the health pandemic, construction activity was limited to the last quarter (April-June). The City continued work on the Jordan River Big Bend Project (a river restoration and urban fishery park) and focused efforts on the design and engineering of projects in preparation for the next fiscal year.

*Capital Projects Fund Expenditures by Type  
 (in millions of \$'s)*





## FUND ANALYSIS (continued)

### A. Governmental Funds (continued)

#### **Redevelopment Agency Fund**

The RDA fund balance decreased \$167,979 to a total of \$8,419,274.

During fiscal year 2021, property tax collections from redevelopment areas increased 1.7% percent to a total of \$4,335,581 from \$4,262,252 in fiscal year 2020. The change was insignificant.

On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract had terms payable over three (3) calendar years with the first payment of \$2.5 million paid at closing and subsequent payments of \$2.25 million on January 31, 2020 and January 29, 2021. The final payment was made in FY 2021.

#### **Grants Fund**

This fund was created in FY 2021 to segregate grant activity from the general fund and other funds. This fund recognized \$6,567,464 in unearned revenue on the balance sheet for federal funds received by the City under the American Recovery Plan Act (ARPA). The City has programmed these funds in the next fiscal year under the federal guidance.

#### **Other Non-major Governmental Funds**

##### *Class C Roads Fund*

The Class C Roads fund balance ended the year at \$3,379,434 from \$1,315,669 in FY 2020. The purpose of this fund is to account for the activities of state-allocated Class C roads revenue and the expenses related to the maintenance and improvements of these roads.

Revenues for this fund increased to \$4,333,557 from \$4,002,586 in FY 2020. This was expected as the source for these funds is fuel sales. Following the introduction of the COVID-19 vaccine in January 2021, fuel sales began to increase as people began returning to work. In addition, the price per gallon increased by an average of 49.6%.

Expenses in the current fiscal year decreased to \$2,269,792 from \$3,682,503 in FY 2020 due to both labor and supply shortages as well as a severe reduction of road maintenance in the first part of the fiscal year during the height of the pandemic.

##### *Community Development Block Grant*

There were no significant changes in this fund.

##### *Fairway Estates Fund*

There were no significant changes in this fund.

**FUND ANALYSIS (continued)**

A. Governmental Funds (continued)

**Other Non-major Governmental Funds (continued)**

*Highland Special Improvement District*

The District ended FY 2021 with a fund balance of \$117 and required subsidization by the general fund. The District's financial structure is under review and anticipates generating enough revenue in the next year to sustain increased service demands.

*Municipal Building Authority Fund*



The Municipal Building Authority's fund balance ended the year at \$1,708,927 from \$2,052,581 in FY 2020. Revenues for this fund come from the lease of the public works building to the City. The lease is paid by the general fund and the proprietary funds. Expenditures increased by \$289,758 as final payment for construction of the building was settled. On-going expenditures will be limited to the debt service on the Series 2016 lease revenue bonds.

*Police Impact Fee Fund*

The police impact fee fund balance ended the year with a balance of \$28,895.

Impact fee revenue slowed as construction activity reduced with the pandemic, labor shortages, and supply-chain challenges. In FY 2021, revenue decreased by \$55,617 (28.3%) below the previous year.

Expenditures are related to the payment of 40% of the annual debt service for the Series 2013 sales tax revenue bond which was used to construct a police substation and fire station, and remained unchanged from the previous fiscal year.

*Fire Impact Fee Fund*

The fire impact fee fund balance ended the year with a negative balance of (\$90,065) as revenues were not sufficient to sustain the debt service payment for the year. The debt issued for the construction of a fire station in 2013 will be paid in full in FY 2024. Due to the short-term of the bond (10-year), it is anticipated this fund will continue to carry a negative fund balance through FY 2027. Impact fees will continue to be collected to restore reserves.

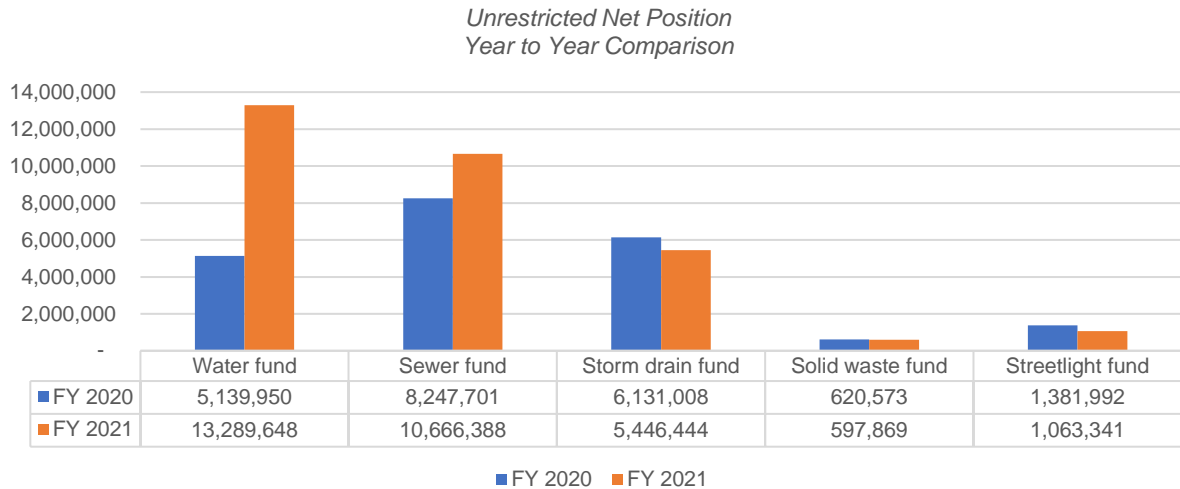
Impact fee revenue slowed as construction activity reduced with the pandemic, labor shortages, and supply-chain challenges. In FY 2021, revenue decreased by \$157,033 (50.4%) below the previous year.

Expenditures are related to the payment of 60% of the annual debt service for the Series 2013 sales tax revenue bond which was used to construct fire station and police substation and remained unchanged from the previous fiscal year.

**FUND ANALYSIS (continued)**

**B. Proprietary Funds**

A review of the change in net position from year to year is a good analysis tool for the proprietary funds.



**Water Fund**

The water fund’s unrestricted net position increased this fiscal year by \$8,149,698 to a total of \$13,289,648, which was approximately 43.6% of the current fiscal year’s revenues. In the previous fiscal year, the water fund had an unrestricted net position of \$5,139,950. These reserves are dedicated to the water fund’s five-year plan for the construction of additional water storage tanks and other major infrastructure improvements.

In FY 2021, revenue increased by \$2,337,439 (8.3%) over the previous year as water customers consumed 6.2% more water than the previous fiscal year. Water rates were restructured effective October 2020 with the intention of being revenue neutral.

Operating expenses increased by \$1,013,759 (4.6%) over the previous year as customer consumption required an increase in water purchases. In addition, the water fund continued to invest in capital improvement projects such as the automatic metering system and several storage tanks.

The water fund also transferred out \$1,312,500 to the general fund which represented 5% of certain charges for service.

## FUND ANALYSIS (continued)

### B. Proprietary Funds (continued)

#### **Sewer Fund**

The sewer fund's unrestricted net position increased by \$2,418,687 to a total of \$10,666,388, which is 83.3% of the fund's current annual revenues. These reserves are intended to support the increased investment in the South Valley Water Reclamation Facility (SVWRF) required to comply with the new federal standards of the Environmental Protection Agency (EPA) as well as system maintenance and upsizing demands.

Revenue increased by \$1,297,843 (11.3%) over the previous year which is the result of a 15% sewer rate increase effective in October 2020.

Operating expenses decreased by \$1,219,226 (10.8%) from the previous fiscal year as sewer maintenance projects were being designed and engineered for construction in the next fiscal year.

The sewer fund also transferred out \$621,000 to the general fund which represented 5% of certain charges for service.

#### **Storm Water Fund**

The storm water fund's unrestricted net position decreased by \$684,564 from the previous fiscal year to a total of \$5,446,444. These reserves are intended to support the City's increased cost demands to comply with new federal standards of the Environmental Protection Agency (EPA) and other state requirements for the management and storage of storm water.

Revenues increased by \$242,887 (6.1%) over the previous year which is the result of a 5% storm water rate increase effective in October 2020.

Operating expenses increased by \$1,008,494 (26.1%) due to an increase in professional and technical services as well as the construction of several capital improvements projects.

The storm water fund also transferred out \$207,375 to the general fund which represented 5% of certain charges for service.

#### **Solid Waste Fund**

The solid waste fund's unrestricted net position decreased by \$22,704 (3.7%) from the previous fiscal year to a total of \$597,869 which is 10.2% of the fund's current annual revenues.

Revenues increased by \$420,552 (7.8%) over the previous year which is the result of a 7.5% rate increase effective in July 2020.



Operating expenses increased by \$207,765 (3.9%) due to the increased cost of the collection of garbage and acceptance and treatment of recycling – a cost that continues to grow with changes in the recycling market. The solid waste fund also transferred out \$289,290 to the general fund which represented 5% of certain charges for service.

## FUND ANALYSIS (continued)

### B. Proprietary Funds (continued)

#### **Streetlight Fund**

The streetlight fund's unrestricted net position decreased by \$318,651 (23.1%) to a total of \$1,063,341 as the City began adding streetlights into the system as well as installing more energy efficient options into already existing infrastructure. This work will continue over several years.

Revenues increased by 2.7% over the previous year which was the result of growth. There were no rate changes during the year.

Operating expenses increased by \$631,363, or 147.2% from the previous year which is attributed to the streetlight projects referenced above. The streetlight fund also transferred out \$37,486 to the general fund which represented 5% of the charges for service.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the fiscal year, general fund budgeted revenues were amended from \$51,821,205 to \$66,485,813 (28.2% difference).

General fund budgeted expenditures were amended from an original budget total of \$56,776,765 to a final budget total of \$61,355,690 (8.0% difference). All departments monitor their budgets closely and are required to stay within their allotment.

- \$2,704,065 for pandemic-related expenses; and
- \$1,170,000 to fund the payout of retiree leave time; and
- \$265,000 to restore parks seasonal labor; and
- \$119,387 for adjustments to personnel costs; and
- \$129,000 for legal professional services related to land use; and
- \$104,613 increased allocation for fleet management; and
- \$86,860 increased allocation for risk management.

### *Budget to Actual Comparison*

During the year, actual revenues were greater than budgeted revenues by \$3,230,724 (4.9%). Primary changes include the following:

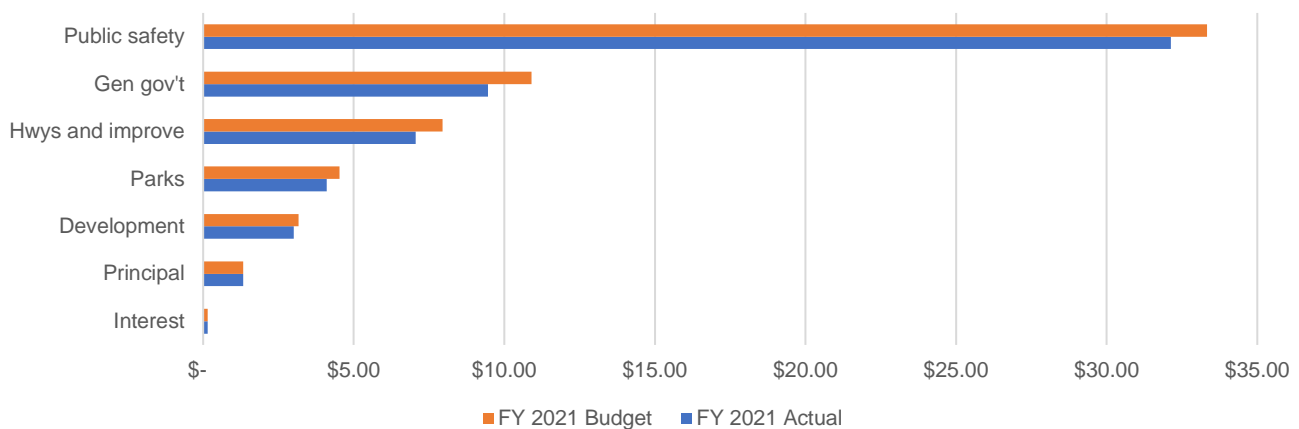
- \$2,157,979 in increased sales tax revenue as consumers diverted disposable income from non-taxed services such as travel and entertainment to taxable goods; and
- \$767,893 in increased property tax revenue as new development became assessed; and
- \$473,010 in increased franchise tax revenue from the sale of electricity and gas by utilities not operated by the City.
- \$321,738 decrease in charges for services as demand for ambulance services were reduced as patients were more cautious about requesting service during the health pandemic.
- Other changes were immaterial.

**GENERAL FUND BUDGETARY HIGHLIGHTS (continued)**

Actual expenditures (excluding transfers) were less than budgeted expenditures by \$4,114,874 (6.7%).

- General government – \$1.45 million difference (13.3%). Approximately \$1.0 million of this difference was in non-departmental and was an over-estimate of retiree payouts, and services not used because of the pandemic such as professional services and contributions to outside committees. The remaining difference is related to changes in service levels such as personnel savings from turnover and changes in service levels.
- Community development - \$153,021 difference (4.8%). This represents a less than 5% difference and is related to personnel savings from turnover and normal operational savings.
- Public safety - \$1.2 million difference (3.6%). This represents a less than 5% difference and is related to personnel savings from turnover and normal operational savings.
- Highways and public improvements - \$889,701 difference (11.2%). Approximately \$350,000 of the difference was related to reduced street maintenance during the pandemic as crews were diverted to other activities to assist in public health activities such as sanitation and other efforts to provide safe public areas. Approximately \$150,000 of the difference was related to a winter with very little snow removal needs. The remaining difference is related to personnel savings from turnover.
- Parks, recreation, and culture - \$422,784 difference (9.3%). Approximately \$275,000 of this difference is a reduction in community events due to the pandemic. The remaining difference is related to personnel savings from turnover and reduced service levels crews were diverted to other activities to assist in public health activities such as sanitation and other efforts to provide safe public areas.

*FY 2021 Expenditure Budget to Actual by category  
 (in millions of \$'s)*



(continued on next page)



**CAPITAL ASSETS**

The City’s net investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$556,086,321. This investment in capital assets includes joint ventures, land, buildings, infrastructure, equipment, intangibles (water shares and capacity rights), and construction in progress less accumulated depreciation and amortization as well as bonds payable. Infrastructure is defined as roads, utility systems, parks, and so forth. The total increase from the previous year of the City’s net investment in capital assets was \$27,144,640 (5.1%).

	Governmental activities		Business-type activities		Total	
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020
Joint ventures	\$ -	\$ -	\$ 6,843,200	\$ 6,236,404	\$ 6,843,200	\$ 6,236,404
Land	170,468,970	168,617,997	7,485,662	7,258,162	177,954,632	175,876,159
Construction in progress	6,103,403	8,852,081	9,941,383	12,656,136	16,044,786	21,508,217
Buildings	56,738,337	56,640,798	321,357	321,357	57,059,694	56,962,155
Infrastructure	314,731,537	295,750,814	275,977,733	262,702,484	590,709,270	558,453,298
Equipment	27,685,812	25,100,591	2,250,926	2,250,926	29,936,738	27,351,517
Intangibles	-	-	30,782,276	28,341,444	30,782,276	28,341,444
Total	\$ 575,728,059	\$ 554,962,281	\$ 333,602,537	\$ 319,766,913	\$ 909,330,596	\$ 874,729,194

During the year, the City spent \$13,772,498 on assets (excluding donated assets).

Major capital asset events during the fiscal year 2021 include:

- The completion of \$3,311,444 of park improvements throughout the city.
- The completion of \$1,288,971 in road and public improvements throughout the city.
- The purchase of \$2,809,801 in vehicles and equipment in the fleet fund.
- The completion of \$6,198,515 in water system improvements, including a 3-million-gallon water storage reservoir and partial completion of another 4-million-gallon water storage reservoir as well as the partial completion of an automatic metering system.
- The acceptance of \$18,125,301 in developer-contributed assets including \$13,699,685 in donated roads, land under roads, and sidewalks, \$1,347,543 in donated water lines, \$1,554,858 in donated sewer lines, and \$1,523,215 in donated storm drain infrastructure.

Additional information on the City’s capital assets can be found in Note 8 in the Notes to the Financial Statements of this report.

(continued on next page)

**LONG-TERM DEBT**

As of June 30, 2021, the City had \$51,397,549 in outstanding long-term debt.

	Governmental activities		Business-type activities		Total	
	FY 2021	FY2020	FY 2021	FY2020	FY 2021	FY2020
General obligation bonds	\$ 2,815,000	\$ 3,485,000	\$ -	\$ -	\$ 2,815,000	\$ 3,485,000
Revenue bonds	26,560,000	28,340,000	10,705,000	13,555,000	37,265,000	41,895,000
Special assessment bonds	96,000	1,001,000	-	-	96,000	1,001,000
Unamortized bond premiums	1,287,231	1,508,026	1,210,138	-	2,497,369	1,508,026
Unamortized discounts/loss	(84,436)	(90,822)	-	-	(84,436)	(90,822)
Capital leases	2,495,318	3,546,680	-	-	2,495,318	3,546,680
Notes payable	-	2,250,000	-	-	-	2,250,000
Compensated absences	6,020,964	6,563,329	292,334	292,938	6,313,298	6,856,267
	<u>\$ 39,190,077</u>	<u>\$ 46,603,213</u>	<u>\$ 12,207,472</u>	<u>\$ 13,847,938</u>	<u>\$ 51,397,549</u>	<u>\$ 60,451,151</u>

The City’s total debt (including compensated absences and other long-term liabilities) decreased by \$9,053,602 in FY 2021. The net change is a result of normally scheduled debt service payments in the amount of \$6,205,000, the repayment of a note in the amount of \$2,250,000, principal payments towards capital leases in the amount of \$1,051,362, decreases in compensated absences in the amount of \$542,969 and an increase in the amortization of discounts, premiums and refunding cost in the amount of \$995,729 related to the refunding of the Series 2013 and Series 2017 water revenue bonds.

The City’s bond rating is Aa3 from Moody’s for its lease revenue bonds, sales tax bonds, and general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8% of the “reasonable fair cash value” of property within the City. Of this percent, a maximum of 4% may be used for general purposes. The current limitation for the City is \$515,146,917, which is significantly in excess of the City’s outstanding general obligation debt. The remaining 4 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 8 percent, may be utilized for water and sewer projects. The current limitation for all debt, including that used for water and sewer projects is \$1,030,293,834 which again significantly exceeds the outstanding city-wide debt.

Additional information on the City’s long-term debt can be found in Notes 12 through 15 in the Notes to the Financial Statements of this report.

**ECONOMIC FACTORS**

According to the U.S. Bureau of Labor Statistics, the unemployment rate in Salt Lake City as of June 2021 was 3.2% as compared to 7.2% of the previous year. The national unemployment rate was 5.9% as of June 2021 as compared to 11.1% of the previous year.

According to the U.S. Bureau of Labor Statistics, in September 2021 the consumer price index (CPI) in the mountain-west region was up 6.0% from a year ago, while the CPI for the nation rose 5.4% for that same period.

Statewide sales tax revenue increased by 18.31% in FY 2021 which may be partially attributed to several changes in consumer behavior due to the pandemic. Dollars previously spent on non-taxable service like travel and entertainment are now being spent on taxable goods. In addition, the economy is experiencing inflation due to challenges in the supply chain and other factors in a changing environment as the health pandemic has continued longer than originally expected and has and continues to influence behavior.







**NEXT YEAR’S BUDGETS AND RATES**

The City continues a conservative approach to budgeting to avoid revenue shortfalls.

**A. Next Year’s General Fund Budget**

The following chart compares the general fund’s budget for FY 2022 to the report year (FY 2021) for use in understanding the narrative below.

	GENERAL FUND		
	FY 2021 Actual	FY 2022 Budget	Difference
<u>Revenue</u>			
Sales tax	\$ 29,007,979	\$ 26,000,000	-10.4%
Property tax	18,080,453	18,448,695	2.0%
Franchise tax	7,553,010	7,190,000	-4.8%
Licenses and permits	4,031,943	3,325,500	-17.5%
Intergovernmental	5,963,774	639,300	-89.3%
Charges for services	3,583,062	3,543,500	-1.1%
Fines and forfeitures	1,122,547	1,150,000	2.4%
Miscellaneous	273,588	449,000	64.1%
Investment income	100,181	50,000	-50.1%
Total revenues	69,716,537	60,795,995	-12.8%
<u>Expenditures</u>			
General government	9,459,097	9,788,026	3.5%
Community development	3,012,683	2,986,916	-0.9%
Public safety	32,129,296	35,309,690	9.9%
Highways and public improvements	7,057,787	7,802,640	10.6%
Parks, recreation, and culture	4,101,364	5,062,163	23.4%
Debt service:			
Principal	1,330,000	1,355,000	1.9%
Interest and fiscal charges	150,589	123,624	-17.9%
Total expenditures	57,240,816	62,428,059	9.1%
Excess (deficiency) of revenues over (under) expenditures	12,475,721	(1,632,064)	
<u>Other financing sources (uses)</u>			
Sale of capital assets	-	-	
Transfers in	2,467,651	2,596,029	
Transfers out	(4,822,687)	(963,965)	
Total other financing sources (uses)	(2,355,036)	1,632,064	
Net change of fund balance	10,120,685	\$ -	

General fund budgeted revenues equal budgeted expenditures as adopted in FY 2022.

*Sales Tax Revenue Estimates*

Sales tax revenue was based on fiscal year 2019 actual collections as a baseline since that is the last full fiscal year without the financial effects of the health pandemic, with 3% to 5% growth each year thereafter. Actual sales tax revenue for West Jordan City has withstood the effects of the pandemic due to consumer behavior changes that have brought spending to the point of delivery versus the point of sale, and the number of grocery, restaurant, and general merchandise retailers that are located within the City. It is currently anticipated the sales tax revenue budget will be adjusted in an amendment in January 2022 and the City will have revenues exceed expenditures. This assumed amendment is not included above.

## **NEXT YEAR'S BUDGETS AND RATES (continued)**

### A. Next Year's General Fund Budget (continued)

#### *Property Tax*

The FY 2022 budget includes a property tax rate increase of 2.5% (\$396,762), as well as the collection of a 0.8% one-time judgement levy (\$144,675).

#### *Transfers In*

The FY 2022 budget includes a transfer in amount of \$2,596,029 from the utility funds which represents 5% of budgeted utility revenue. This transfer is similar to taxes (franchise tax) paid to the City by other utilities not owned by the City for the use of rights-of-way and other infrastructure owned by the general fund to provide utility services.

### B. Utility Rates

The FY 2022 budget includes the following changes to utility rates.

- Water Fund – No rate change
- Sewer Fund – No rate change
- Solid Waste Fund - 5% rate increase effective July 1, 2021
- Storm Water Fund – 2.5% rate increase effective July 1, 2021
- Streetlight Fund – 1.75% rate increase effective July 1, 2021

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City of West Jordan's finances for all interested parties. Questions concerning any information provided in this report or requests for additional financial information should be addressed to:

Danyce Steck, CPFO  
Administrative Services Director  
City of West Jordan  
8000 South Redwood Road  
West Jordan, Utah 84088  
(801) 569-5009  
danyce.steck@westjordan.utah.gov

## **BASIC FINANCIAL STATEMENTS**



**For Fiscal Year Ended June 30, 2021**



*West Jordan Fire Station 52*

## **Government-Wide Financial Statements**

CITY OF WEST JORDAN  
 BASIC FINANCIAL STATEMENTS  
 As of June 30, 2021



**STATEMENT OF NET POSITION**

	FY21 Governmental Activities	FY21 Business-type Activities	FY21 Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 46,476,229	\$ 26,378,683	\$ 72,854,912
Accounts receivable (net of allowance)	1,400,514	7,266,173	8,666,687
Due from other governments	29,273,532	-	29,273,532
Internal balances	127,082	(127,082)	-
Inventory	-	2,217,463	2,217,463
Prepaid items	1,918,139	13,805	1,931,944
Restricted cash	41,455,053	5,334,898	46,789,951
Total current assets	120,650,549	41,083,940	161,734,489
Noncurrent assets			
Pension asset	6,759,239	522,379	7,281,618
Notes receivable	651,119	-	651,119
Investments in joint ventures	-	6,843,200	6,843,200
Capital assets			
Land	170,468,970	7,485,662	177,954,632
Construction in progress	6,103,403	9,941,383	16,044,786
Buildings	56,738,337	321,357	57,059,694
Infrastructure	314,731,537	275,977,733	590,709,270
Equipment	27,685,812	2,250,926	29,936,738
Intangibles	-	30,782,276	30,782,276
Accumulated depreciation and amortization	(213,645,347)	(94,514,677)	(308,160,024)
Total noncurrent assets	369,493,070	239,610,239	609,103,309
Total assets	490,143,619	280,694,179	770,837,798
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on bond refunding	92,575	-	92,575
Deferred pension costs	7,962,112	615,340	8,577,452
Total deferred outflows of resources	8,054,687	615,340	8,670,027
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,682,067	2,949,743	4,631,810
Accrued liabilities	2,240,322	163,928	2,404,250
Bonds and leases payable	3,620,922	1,350,000	4,970,922
Compensated absences	2,522,710	130,877	2,653,587
Unearned revenue	-	118,909	118,909
Liabilities from restricted assets:			
Accounts payable	647,683	1,182,656	1,830,339
Customer deposits	8,348,005	1,273	8,349,278
Interest payable	332,834	45,676	378,510
Unearned revenue	7,011,174	-	7,011,174
Total current liabilities	26,405,717	5,943,062	32,348,779
Noncurrent liabilities			
Bonds and leases payable	29,548,191	10,565,138	40,113,329
Compensated absences	3,498,254	161,457	3,659,711
Net pension payable	3,525,771	272,485	3,798,256
Total noncurrent liabilities	36,572,216	10,999,080	47,571,296
Total liabilities	62,977,933	16,942,142	79,920,075
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension gains	11,944,934	923,149	12,868,083
Deferred property taxes	21,458,829	-	21,458,829
Total deferred inflows of resources	33,403,763	923,149	34,326,912
<b>NET POSITION</b>			
Net investment in capital assets	328,913,599	227,172,722	556,086,321
Restricted			
Capital	25,383,384	5,092,399	30,475,783
Debt service	31,996	242,499	274,495
Other purposes	777,828	-	777,828
Unrestricted	46,709,803	30,936,608	77,646,411
Total net position	\$ 401,816,610	\$ 263,444,228	\$ 665,260,838

The accompanying notes are an integral part of this statement.

**STATEMENT OF ACTIVITIES**

	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position		
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities	Total
Governmental activities							
General government	\$ 8,782,415	\$ 3,182,127	\$ 488,744	\$ -	\$ (5,111,544)	\$ -	\$ (5,111,544)
Community development	4,625,371	4,979,386	438,344	-	792,359	-	792,359
Public safety	31,211,599	2,606,504	6,205,331	-	(22,399,764)	-	(22,399,764)
Highways and public improvements	17,435,624	2,097,265	4,328,792	15,819,842	4,810,275	-	4,810,275
Parks, recreation, and culture	4,860,134	2,227,459	246,039	1,099,321	(1,287,315)	-	(1,287,315)
Debt service - interest and fiscal charges	1,125,599	-	-	-	(1,125,599)	-	(1,125,599)
Total governmental activities	68,040,742	15,092,741	11,707,250	16,919,163	(24,321,588)	-	(24,321,588)
Business-type activities							
Water	23,069,940	32,107,013	-	1,347,544	-	10,384,617	10,384,617
Wastewater	10,068,919	13,968,797	-	1,554,858	-	5,454,736	5,454,736
Solid waste	4,952,517	5,834,646	-	-	-	882,129	882,129
Storm water	4,908,997	6,358,439	-	1,523,215	-	2,972,657	2,972,657
Streetlight	1,060,406	773,126	-	-	-	(287,280)	(287,280)
Total business-type activities	\$ 44,060,779	\$ 59,042,021	\$ -	\$ 4,425,617	\$ -	\$ 19,406,859	\$ 19,406,859
		General Revenues:					
		Sales taxes			\$ 29,007,979	\$ -	\$ 29,007,979
		Property taxes			18,091,686	-	18,091,686
		Tax increment			4,335,581	-	4,335,581
		Franchise taxes			7,553,010	-	7,553,010
		Investment income			335,019	140,956	475,975
		Gain on disposal of assets			88,377	-	88,377
		Miscellaneous			293,231	-	293,231
		Transfers - net			2,467,651	(2,467,651)	-
		Total general revenue and transfers			62,172,534	(2,326,695)	59,845,839
		Change in net position			37,850,946	17,080,164	54,931,110
		Net position - beginning			360,788,501	246,348,413	607,136,914
		Prior period adjustment			3,177,163	15,651	3,192,814
		Net position - ending			\$ 401,816,610	\$ 263,444,228	\$ 665,260,838

The accompanying notes are an integral part of this statement.

## GOVERNMENTAL FUND FINANCIAL STATEMENTS

### General Fund

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The general fund is used to account for resources traditionally associated with a government which are not required to be accounted for in another fund.

### Capital Projects Fund

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

### Redevelopment Agency (RDA) Fund

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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.

### Grants Fund

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The Grants Fund is used to account for the activities of federal, state, and other intergovernmental and private grants.

### Other Governmental Funds

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The Class C Roads Fund, Fairway Estates Fund, Highlands Special Improvement District Fund, and Kraftmaid Special Improvement District Fund are categorized as non-major governmental funds and are presented by fund type in the Supplementary Information section of this report.



**BALANCE SHEET – GOVERNMENTAL FUNDS**

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,348,988	\$ 12,909,774	\$ 9,453,812	\$ -	\$ 5,056,740	39,769,314
Accounts receivable (net of allowance)	803,022	-	332,776	142,210	658,761	1,936,769
Due from other governments	23,657,961	4,300,000	-	-	1,315,571	29,273,532
Due from other funds	4,490,500	-	-	-	182,008	4,672,508
Prepaid items	800,229	-	1,077,841	-	-	1,878,070
Restricted cash	8,669,188	-	26,062,242	6,567,464	126,164	41,425,058
Total assets	<u>50,769,888</u>	<u>17,209,774</u>	<u>36,926,671</u>	<u>6,709,674</u>	<u>7,339,244</u>	<u>118,955,251</u>
<b>LIABILITIES</b>						
Accounts payable	925,585	-	106,203	-	443,790	1,475,578
Accrued liabilities	1,754,721	-	-	-	689	1,755,410
Due to other funds	-	4,490,500	-	-	182,008	4,672,508
Liabilities from restricted assets:						
Accounts payable	-	-	647,683	-	-	647,683
Deposits	8,348,005	-	-	-	-	8,348,005
Unearned revenue	316,985	-	-	6,694,189	-	7,011,174
Total liabilities	<u>11,345,296</u>	<u>4,490,500</u>	<u>753,886</u>	<u>6,694,189</u>	<u>626,487</u>	<u>23,910,358</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	17,148,695	4,300,000	-	-	10,134	21,458,829
Deferred ambulance billings	414,654	-	-	-	-	414,654
Deferred other	128,998	-	-	-	-	128,998
Total deferred Inflows of resources	<u>17,692,347</u>	<u>4,300,000</u>	<u>-</u>	<u>-</u>	<u>10,134</u>	<u>22,002,481</u>
<b>FUND BALANCE</b>						
Nonspendable	800,229	-	1,077,841	-	-	1,878,070
Restricted	4,198	-	25,414,559	15,485	681,808	26,116,050
Assigned	-	8,419,274	9,680,385	-	6,110,880	24,210,539
Unassigned	20,927,818	-	-	-	(90,065)	20,837,753
Total fund balances	<u>21,732,245</u>	<u>8,419,274</u>	<u>36,172,785</u>	<u>15,485</u>	<u>6,702,623</u>	<u>73,042,412</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 50,769,888</u>	<u>\$ 17,209,774</u>	<u>\$ 36,926,671</u>	<u>\$ 6,709,674</u>	<u>\$ 7,339,244</u>	<u>\$ 118,955,251</u>

Note: In the General Fund, amounts payable from restricted cash are reported as accrued liabilities and deposits.

The accompanying notes are an integral part of this statement.



**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**

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

Total Fund Balance - Total Governmental Funds	\$ 73,042,412
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.	352,080,575
Long-term liabilities, including bonds payable, capital leases, notes, interest payable, and compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(36,799,518)
Deferred outflows relating to the loss on refunding of debt is not a current available resource and therefore is not included in the funds.	92,575
Pension liabilities, pension assets, and deferred inflows and outflows of resources relating to pensions are not current available resources and are therefore not included in the governmental funds.	(733,381)
Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resources measurement focus.	670,734
Internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	13,463,213
Net Position - Governmental Activities	<u>\$ 401,816,610</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS**

	General Fund	Redevelopment Agency Fund	Capital Improvement Fund	Grants Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Sales tax	\$ 29,007,979	\$ -	\$ -	\$ -	\$ -	\$ 29,007,979
Property tax	18,080,453	-	-	-	11,233	18,091,686
Tax increment	-	4,335,581	-	-	-	4,335,581
Franchise tax	7,553,010	-	-	-	-	7,553,010
Impact fees	-	-	3,851,745	-	295,456	4,147,201
Licenses and permits	4,031,943	-	-	-	-	4,031,943
Intergovernmental	5,963,774	-	3,219,478	234,516	4,721,477	14,139,245
Charges for services	3,583,062	-	-	-	1,948,496	5,531,558
Fines and forfeitures	1,122,547	-	-	-	-	1,122,547
Miscellaneous	273,588	-	3,196	16,447	-	293,231
Investment income	100,181	66,504	145,164	2,094	21,076	335,019
Total revenues	<u>69,716,537</u>	<u>4,402,085</u>	<u>7,219,583</u>	<u>253,057</u>	<u>6,997,738</u>	<u>88,589,000</u>
<b>EXPENDITURES</b>						
General government	9,459,097	-	-	-	-	9,459,097
Community development	3,012,683	1,314,270	-	-	462,979	4,789,932
Public safety	32,129,296	-	-	237,572	-	32,366,868
Highways and public improvements	7,057,787	-	2,083,429	-	2,775,243	11,916,459
Parks, recreation, and culture	4,101,364	-	3,039,685	-	-	7,141,049
Debt service:						
Principal	1,330,000	3,155,000	-	-	1,120,000	5,605,000
Interest and fiscal charges	150,589	100,794	-	-	1,107,678	1,359,061
Total expenditures	<u>57,240,816</u>	<u>4,570,064</u>	<u>5,123,114</u>	<u>237,572</u>	<u>5,465,900</u>	<u>72,637,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,475,721</u>	<u>(167,979)</u>	<u>2,096,469</u>	<u>15,485</u>	<u>1,531,838</u>	<u>15,951,534</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,467,651	-	4,778,687	-	44,000	7,290,338
Transfers out	(4,822,687)	-	-	-	-	(4,822,687)
Total other financing sources (uses)	<u>(2,355,036)</u>	<u>-</u>	<u>4,778,687</u>	<u>-</u>	<u>44,000</u>	<u>2,467,651</u>
Net change of fund balance	10,120,685	(167,979)	6,875,156	15,485	1,575,838	18,419,185
Fund balance at beginning of year	<u>11,611,560</u>	<u>8,587,253</u>	<u>29,297,629</u>	<u>-</u>	<u>5,126,785</u>	<u>54,623,227</u>
Fund balance at end of year	<u>\$ 21,732,245</u>	<u>\$ 8,419,274</u>	<u>\$ 36,172,785</u>	<u>\$ 15,485</u>	<u>\$ 6,702,623</u>	<u>\$ 73,042,412</u>

The accompanying notes are an integral part of this statement.



**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

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

Net change in fund balance - Total governmental funds	\$ 18,419,185
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. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.	8,752,942
Revenue recognized in the government-wide statement of activities that are not in the fund statements.	70,012
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	5,838,462
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.	3,911,586
The net revenue of certain activities of the internal service funds are reported with governmental activities.	858,759
Change in net position - Governmental activities	<u>\$ 37,850,946</u>

The accompanying notes are an integral part of this statement.

## PROPRIETARY FUND FINANCIAL STATEMENTS

### Water Fund

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The Water Fund is used to account for the activities of the City's water operations. This includes the maintenance and improvements needed to support the City's water delivery system.

### Wastewater Fund

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The Wastewater Fund is used to account for the activities of the City's sewer operations. The City is a member agency of the South Valley Water Reclamation Facilities. This special district manages the City's wastewater treatment. The sewer connections and sewer lines are the responsibility of the City.

### Storm Water Fund

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The Storm Water Fund is used to account for the activities of the City's storm water operations. This includes the maintenance and improvements needed to support the City's storm water system.

### Non-Major Fund

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The Solid Waste Fund and Streetlight Fund are categorized as non-major proprietary funds and are presented by fund type in the Supplementary Information section of this report.

### Internal Service Funds

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The Fleet Management Fund, IT Management Fund, and Risk Management Fund are classified as internal service funds for the City. These funds 'act' like a business and are therefore reported alongside the proprietary funds; however, their main source of revenue is charges for services provided to and paid for by the other governmental and proprietary funds of the City.

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	\$ 10,357,103	\$ 9,464,380	\$ 5,152,398	\$ 1,404,802	\$ 26,378,683	\$ 6,706,915
Accounts receivable (net of allowance)	4,613,391	1,471,090	472,745	708,947	7,266,173	114,864
Inventory	2,217,463	-	-	-	2,217,463	-
Prepaid items	13,805	-	-	-	13,805	40,069
Restricted cash	170	-	5,334,728	-	5,334,898	29,995
Total current assets	17,201,932	10,935,470	10,959,871	2,113,749	41,211,022	6,891,843
Noncurrent assets						
Net pension asset	211,666	154,516	134,256	21,941	522,379	144,074
Investments in joint ventures	-	-	-	6,843,200	6,843,200	-
Capital assets						
Land	4,726,043	-	2,759,619	-	7,485,662	-
Construction in progress	9,908,111	-	33,272	-	9,941,383	393,444
Buildings	321,357	-	-	-	321,357	-
Infrastructure	144,494,262	65,345,485	66,137,986	-	275,977,733	-
Equipment	502,516	138,000	-	1,610,410	2,250,926	25,162,922
Intangibles	283,731	30,498,545	-	-	30,782,276	-
Accumulated depreciation and amortization	(47,925,686)	(24,207,210)	(20,771,371)	(1,610,410)	(94,514,677)	(15,554,229)
Total noncurrent assets	112,522,000	71,929,336	48,293,762	6,865,141	239,610,239	10,146,211
Total assets	129,723,932	82,864,806	59,253,633	8,978,890	280,821,261	17,038,054
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred pension costs	249,334	182,013	158,148	25,845	615,340	169,713
Total deferred outflows of resources	249,334	182,013	158,148	25,845	615,340	169,713
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	2,361,960	123,970	32,973	430,840	2,949,743	206,489
Accrued liabilities	70,582	49,635	39,015	4,696	163,928	484,912
Bonds and leases payable	690,000	-	660,000	-	1,350,000	1,009,922
Compensated absences	55,789	31,190	36,278	7,620	130,877	81,715
Unearned revenue	118,909	-	-	-	118,909	-
Liabilities from restricted assets:						
Accounts payable	1,182,656	-	-	-	1,182,656	-
Customer deposits	1,123	-	-	150	1,273	-
Interest payable	23,458	-	22,218	-	45,676	32,324
Total current liabilities	4,504,477	204,795	790,484	443,306	5,943,062	1,815,362
Noncurrent liabilities						
Compensated absences	74,170	47,157	33,330	6,800	161,457	114,036
Net pension payable	110,410	80,599	70,031	11,445	272,485	75,152
Bonds and leases payable	7,800,138	-	2,765,000	-	10,565,138	1,485,396
Total noncurrent liabilities	7,984,718	127,756	2,868,361	18,245	10,999,080	1,674,584
Total liabilities	12,489,195	332,551	3,658,845	461,551	16,942,142	3,489,946
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred pension gains	374,057	273,060	237,258	38,774	923,149	254,608
Total deferred inflows of resources	374,057	273,060	237,258	38,774	923,149	254,608
<b>NET POSITION</b>						
Net investment in capital assets	103,820,196	71,774,820	44,734,506	6,843,200	227,172,722	7,506,819
Restricted						
Capital	-	-	5,092,399	-	5,092,399	-
Debt service	170	-	242,329	-	242,499	29,995
Unrestricted	13,289,648	10,666,388	5,446,444	1,661,210	31,063,690	5,926,399
Total net position	\$ 117,110,014	\$ 82,441,208	\$ 55,515,678	\$ 8,504,410	\$ 263,571,310	\$ 13,463,213

The accompanying notes are an integral part of this statement.

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**RECONCILIATION OF THE STATEMENT OF NET POSITION – PROPRIETARY FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION FOR BUSINESS-TYPE ACTIVITIES**

Amounts reported for business-type activities in the statement of net position are different because:

Total net position - Proprietary Funds	\$ 263,571,310
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Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time	(127,082)
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Net Position - Business-type Activities	<u>\$ 263,444,228</u>
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The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS**

	Business-type Activities - Enterprise Funds				Total Enterprise	Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds		Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 30,042,769	\$ 12,807,828	\$ 4,192,326	\$ 6,607,772	\$ 53,650,695	\$ 10,060,569
Other	425,454	-	45,462	-	470,916	104,363
Total operating revenues	30,468,223	12,807,828	4,237,788	6,607,772	54,121,611	10,164,932
<b>OPERATING EXPENSES</b>						
Wages and benefits	1,546,344	1,099,672	822,542	214,481	3,683,039	1,791,270
Administrative fees	2,323,595	874,564	875,529	442,135	4,515,823	-
Operations and maintenance	16,078,992	6,848,752	1,835,199	5,973,702	30,736,645	5,664,618
Depreciation and amortization	2,974,413	1,290,595	1,344,333	-	5,609,341	2,097,834
Total operating expenses	22,923,344	10,113,583	4,877,603	6,630,318	44,544,848	9,553,722
Operating income (loss)	7,544,879	2,694,245	(639,815)	(22,546)	9,576,763	611,210
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	44,839	37,698	50,452	7,967	140,956	34,398
Interest and fiscal charges	(236,490)	-	(75,717)	-	(312,207)	(71,753)
Impact fees	1,638,790	1,160,969	2,120,651	-	4,920,410	-
Equity in income of joint venture	-	-	-	606,796	606,796	-
Gain/(loss) on disposal of assets	-	-	-	-	-	284,905
Total nonoperating revenues (expenses)	1,447,139	1,198,667	2,095,386	614,763	5,355,955	247,550
Income (loss) before contributions and transfers	8,992,018	3,892,912	1,455,571	592,217	14,932,718	858,760
Capital contributions	1,347,544	1,554,858	1,523,215	-	4,425,617	-
Transfers out	(1,312,500)	(621,000)	(207,375)	(326,776)	(2,467,651)	-
Change in net position	9,027,062	4,826,770	2,771,411	265,441	16,890,684	858,760
Total net position, beginning	108,078,034	77,603,705	52,744,267	8,238,969	246,664,975	9,544,100
Prior period adjustment	4,918	10,733	-	-	15,651	3,060,353
Total net position, ending	\$ 117,110,014	\$ 82,441,208	\$ 55,515,678	\$ 8,504,410	\$ 263,571,310	\$ 13,463,213

The accompanying notes are an integral part of this statement.





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**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PROPRIETARY FUNDS TO THE STATEMENT OF ACTIVITIES FOR BUSINESS-TYPE ACTIVITIES**

Amounts reported for business-type activities in the statement of activities are different because:

Change in net position - Proprietary Funds	\$ 16,890,684
Adjustment to eliminate the current fiscal year's internal service funds net loss from internal customers applicable to business-type activities.	189,480
Change in net position - Business-type activities	<u>\$ 17,080,164</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS**

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Non-Major Proprietary Funds	Total	Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 30,143,178	\$ 12,500,379	\$ 4,175,768	\$ 6,567,176	\$ 53,386,501	\$ 10,073,068
Payments to suppliers of goods and services	(15,329,398)	(6,929,414)	(1,852,223)	(5,999,238)	(30,110,273)	(5,510,729)
Payments to employees for services	(1,661,307)	(1,172,975)	(882,303)	(213,704)	(3,930,289)	(1,725,529)
Payment for interfund services	(2,323,595)	(874,564)	(875,529)	(442,135)	(4,515,823)	-
Net cash provided (used) by operating activities	10,828,878	3,523,426	565,713	(87,901)	14,830,116	2,836,810
<b>Cash flows from noncapital financing activities</b>						
Transfers to other funds	(1,312,500)	(621,000)	(207,375)	(326,776)	(2,467,651)	-
Net cash provided (used) by noncapital financing activities	(1,312,500)	(621,000)	(207,375)	(326,776)	(2,467,651)	-
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sale of capital assets	-	-	-	-	-	284,905
Purchases of capital assets	(6,198,515)	(2,143,820)	(460,876)	-	(8,803,211)	(2,809,802)
Impact fees	1,638,790	1,160,969	2,120,651	-	4,920,410	-
Principal paid on debt	(994,862)	-	(645,000)	-	(1,639,862)	(1,051,363)
Interest and fiscal charges paid on capital debt	(230,132)	-	(79,901)	-	(310,033)	(84,457)
Net cash provided (used) by capital and related financing activities	(5,784,719)	(982,851)	934,874	-	(5,832,696)	(3,660,717)
<b>Cash flows from investing activities</b>						
Investment income	44,839	37,698	50,452	7,967	140,956	34,398
Net cash provided by investing activities	44,839	37,698	50,452	7,967	140,956	34,398
<b>Net increase (decrease) in cash and cash equivalents</b>	3,776,498	1,957,273	1,343,664	(406,710)	6,670,725	(789,509)
Cash and cash equivalents - beginning of year	6,580,775	7,507,107	9,143,462	1,811,512	25,042,856	7,526,419
Cash and cash equivalents – end of year	\$ 10,357,273	\$ 9,464,380	\$ 10,487,126	\$ 1,404,802	\$ 31,713,581	\$ 6,736,910
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>						
Operating income (loss)	\$ 7,544,879	\$ 2,694,245	\$ (639,815)	\$ (22,546)	\$ 9,576,763	\$ 1,036,210
<b>Adjustments to reconcile operating income to net cash provided by:</b>						
Depreciation and amortization	2,974,413	1,290,595	1,344,333	-	5,609,341	2,097,833
(Increase) decrease in receivables	(325,045)	(307,449)	(62,020)	(40,596)	(735,110)	(91,864)
(Increase) decrease in prepaids	138,195	-	-	-	138,195	(40,069)
(Increase) decrease in inventory	(378,370)	-	-	-	(378,370)	-
(Increase) decrease in payables	994,378	(92,009)	(22,092)	(24,870)	855,407	(265,725)
(Increase) decrease in liabilities	(119,572)	(61,956)	(54,693)	111	(236,110)	100,425
Net cash provided by operating activities	\$10,828,878	\$ 3,523,426	\$ 565,713	\$ (87,901)	\$ 14,830,116	\$ 2,836,810
<b>Noncash investing, capital and financing activities</b>						
Capital contributions, developers	\$ 1,347,544	\$ 1,554,858	\$ 1,523,215	\$ -	\$ 4,425,617	\$ -

The accompanying notes are an integral part of this statement.

## **Notes to the Financial Statements**



*Take-out Tuesdays in the Park – June 28, 2021*

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of West Jordan (the City) are prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles for governmental entities. The more significant accounting policies established in GAAP and used by the City are discussed below.

### A. Reporting Entity

The City of West Jordan was incorporated January 10, 1941, under laws of the state of Utah. The City is considered a full-service municipality and provides the following services: public safety, judicial services, highways and streets, sanitation, parks, recreation, water, planning and zoning, and general administrative services.

#### **Form of Government**

In November 2017, the citizens of West Jordan voted for this change the form of government from Council-Manager to Council-Mayor. This transition became effective on January 6, 2020.

The Council-Mayor form of municipal government was created by the Laws of Utah 1977, Chapter 48. This form of government has two (2) separate, independent, and equal branches of municipal government consisting of a legislative branch – a council composed of five or seven members, and an executive branch – a mayor and, under the mayor’s supervision, any executive or administrative departments, divisions, and offices and any executive or administrative officers provided for by statute or municipal ordinance.

Under the Council-Mayor form of government, the mayor is the chief executive and administrative officer. He or she exercises the executive and administrative powers of the municipality. The mayor has the responsibility to execute the policies adopted by the council. The mayor appoints, with the council’s advice and consent, qualified persons to the city or town’s officers and positions including such things as recorder and treasurer.

The mayor may veto an ordinance, tax levy, or appropriation passed by the council subject to the council’s power to override the veto.

While not a member of the council, or its chair, the mayor may attend each council meeting, take part in council meeting discussions, and freely give advice to the council.

The council in a municipality operating under a council-mayor form of government is the legislative body of the city or town and by ordinance or resolution determines the broad policy for the city or town and some specific policies such as the manner in which municipal property is bought, sold, traded, encumbered, or otherwise transferred; and a subdivision or annexation is approved, disapproved, or otherwise regulated.

The council enacts laws, appropriates funds and reviews municipal administration. The council elects one of its members to be the chair of the council.

The council may make suggestions or recommendations to the mayor or mayor’s subordinates and investigate any officer, department, or agency of the city or town, but it may not direct or request, other than in writing, the appointment of a person to or the removal of a person from an executive municipal office; interfere in any way with an executive officer’s performance of the officer’s duties; or publicly or privately give orders to a subordinate of the mayor.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

A. Reporting Entity (continued)

**Financial Accountability and Reporting**

The Annual Comprehensive Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in GASB Statement No. 14, as amended. This Statement requires the City to include in this report the activities of any other entity which is determined to be a component unit of the City. The primary criterion which determines this nexus is financial accountability.

The City is financially accountable if the City appoints a voting majority of that organizations board or there is a potential to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City).

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 Redevelopment Agency of West Jordan City (RDA) was established to prepare and carry out plans to improve, rehabilitate, and redevelop blighted areas within the City. The RDA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. Separate financial statements are not issued for the MBA.

The Fairway Estates Special Service Recreation District (District) was established as a separate taxing entity with the purpose of maintaining the streetscapes of the District. The District is governed by the executive director who is the Mayor, and a board of trustees composed of the seven (7) members of the City Council. Although it is a legally separate entity from the City, the District is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the District. Separate financial statements are not issued for the District.

**Investment in Joint Venture**

The City is a partner with neighboring cities in a joint venture known as Trans-Jordan Cities, and the purpose is to provide solid waste management and disposal services. Investment in this joint venture is accounted for using the equity method.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 the City's activities and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely mainly on fees and charges for support.

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 which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a 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 and proprietary funds. Major governmental funds and enterprise funds are reported as separate columns in the financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City's policy, for revenues to be considered available, is if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Sales taxes, use 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 have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available is defined as when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City 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 for those required to be accounted for in another fund.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The *Redevelopment Agency Fund* is considered a blended component unit of the City and is reported as a special revenue fund which accounts for the activities of the agency. The agency is an entity established to further public purpose in the redevelopment of six (6) redevelopment project areas, four (4) economic development project areas, two (2) community development project areas, and one (1) community reinvestment project area. The major source of revenue for this fund is tax increment.

The *Grants Fund* is used to account for the activities of federal, state, and other intergovernmental and private grants.

Additionally, the City reports the following other governmental fund types:

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

*Internal Service Funds* are used to account for goods or services provided to other funds on a cost-reimbursement basis.

The City reports the following major proprietary funds:

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

The *Wastewater Fund* accounts for the operation and maintenance of the City's wastewater collection system and sewage treatment.

The *Storm Water Fund* accounts for the activities of the City's storm water drainage system.

The City also reports several non-major proprietary funds.

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.

The effects of interfund activity have been eliminated from the government-wide financial statements.

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

**Cash, Cash Equivalents, and Investments**

Cash & Cash Equivalents are generally considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

**Receivables and Payables**

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds". Unbilled sales receivables for June 30, 2021 were estimated based on an average of June and July revenues less year end accounts receivable.

Receivables on the financial statements are shown net of allowance for uncollectible accounts. The allowance adjustment is estimated annually based on historical trends and professional judgment.



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Inventories and Prepaid Items**

Inventories of materials and supplies in the proprietary funds, consisting principally of materials used in the repair of the transmission, distribution, collection, and treatment systems are valued at cost and accounted for on the first in, first out method. 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.

**Restricted Cash**

Restricted cash is comprised of cash restricted for future debt service payments, impact fees, and unexpended portions of bonds issued for capital construction.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

*Land.* Acquisition cost (or fair market value), that ready land for use. The costs associated with improvements to land (site preparation and improvements other than buildings) are added to the cost of the land. All acquisitions of land are capitalized. Land is an inexhaustible asset and does not depreciate over time.

*Buildings.* A structure that is permanently attached to the land, has a roof, is partially or completely enclosed by walls, and is not intended to be transportable or moveable. This class also includes all building improvements. This class of assets has a purchase cost or cost of construction of \$20,000 or greater.

*Infrastructure.* Long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. These assets are often linear, continuous, or part of a system (water system, wastewater system, storm water system, parks system, sidewalk system, road system). This class also includes all improvements that add value to land, but do not have an indefinite useful life. This class of assets has a purchase cost or cost of construction of \$20,000 or greater.

*Machinery and equipment.* Items in this class are vehicles, information technology, and similar moveable items. This class of assets has a purchase cost of \$20,000 or greater.

*Construction in progress.* Costs incurred to construct or develop a tangible or intangible capital asset before it is substantially ready to be placed into service (at which time the asset would be reclassified into the appropriate major class).

Buildings, infrastructure, machinery and equipment are depreciated using the straight-line method over the following estimated useful lives:

Buildings	15 to 45 years
Infrastructure	20 to 50 years
Machinery and equipment	3 to 20 years

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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 will not be recognized as an outflow of resources (expense/expenditure) until then.

Items that qualify for reporting in the government-wide statement of net position in this category are the resource related to pensions and losses related to bond refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 several items, *deferred revenue*, which qualify 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 ambulance billing. 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.

**Customer Deposits**

Enterprise fund customer deposits are required by the City for residential renters and any business receiving a utility connection. The deposit is refundable after 2 years for residential and business customers upon satisfactory payment history.

**Compensated Absences**

For governmental funds, the amount of accumulated vacation leave, sick pay, and comp time not expected to be liquidated with available financial resources is reported as a liability in the government-wide statement of net position and as expense in the government-wide statement of activities. No expenditure is reported for this amount in the fund financial statements. Accumulated vacation leave, sick pay and comp time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Sick pay amounts are charged as expenditures when incurred. Employees may accumulate sick leave without limitation. Upon retirement, a percentage of accumulated sick leave is paid to employees based upon the number of years worked. Historically, compensated absences are paid by the individual funds as they become due, for governmental funds, most of the costs are paid by the general fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Property Taxes**

In Utah, a municipality is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council holds this authorization for the City of West Jordan and must set a tax rate by June 30<sup>th</sup> each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

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 30<sup>th</sup>.

The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

**Pensions**

*Pensions:* For purposes of measuring the 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) including additions to and deductions from URS's 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.

*Deferred outflows/inflows of resources:* In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

**Long-term Obligations**

In the government-wide financial statements and proprietary 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 amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, when incurred. The face amount of debt issued is reported as other financing sources. While discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expense or expenditure in the period incurred.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**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 non-spendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

*Non-spendable.* 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, long-term receivables, and endowments are classified as non-spendable.

*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 Council has committed the entire fund balance of the Cemetery Perpetual Care Fund for the care and maintenance of the cemetery.

*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 Finance Director/Budget Officer. This requires the Mayor to propose the resources to be set aside and Council to ratify this action subsequent to the end of the fiscal period. Also included are all remaining amounts that are reported in governmental funds, other than the general fund, that are not classified as non-spendable, restricted, or committed which are intended for specific purposes.

*Unassigned.* This category consists of all other resources that are not required to be reported in one of the other four fund balance categories. This category is only used in the general fund. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance in that fund.

The City currently has multiple general fund assignments as detailed on the next page.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Fund Balance (continued)**

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code §10-6-116(4) which requires a fund balance of between 5 percent and 35 percent of total revenues to be maintained in the general fund. For fiscal year 2021, the minimum balance is \$3,485,827 and the maximum balance is \$24,400,788.

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.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted net position is applied.

The General Fund is the only fund that reports a positive unassigned fund balance amount; however, in other governmental funds, it is not appropriate to report a positive unassigned fund balance amount.

In governmental funds, other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**Use of Estimates**

Presenting financial statements in conformity with GAAP requires management to make certain estimates concerning assets, liabilities, revenue, and expenses. Actual results may vary from these estimates.

(continued on next page)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

E. Budget Process

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 GAAP, and all funds have legally adopted budgets.

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

1. Prior to or on the first council meeting in May, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the proposed sources of revenues.
2. Between the date of the Council's receipt of the proposed budget from the Mayor and June 30<sup>th</sup>, the Council reviews and adjusts the Mayor's proposed budget. On or before June 30<sup>th</sup>, a public hearing is held and the budget is legally adopted through passage of an ordinance.
3. After the budget is adopted, the Administrative Services Director may transfer any unencumbered or unexpended appropriation amount from one expenditure account to another within a department. The City Council may, by resolution, transfer any unencumbered or unexpended appropriation amount from one department in a fund to another department within the same fund. Other budget amendments occur throughout the year as deemed necessary with Council approval following a public hearing.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Fund. In the General Fund, budgets are adopted at the functional level and budgetary control is exercised at the departmental level. For Special Revenue Funds, budgets are adopted and control is exercised at the level of total expenditures for each individual fund.
5. Annual budgets for the General Fund, Capital Projects Fund, and all Special Revenue Funds were prepared on the modified-accrual method of accounting and legally adopted by the City Council.
6. Encumbrances (commitments related to unpaid purchase orders or contracts for goods or services) are used only as an internal management control device during the year. All outstanding encumbrances lapse at year end. However, some encumbered amounts are re-authorized and honored as part of the following year's budget.
7. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of actual versus budget for governmental funds.



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

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position for Governmental Activities

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 that are to be used in governmental activities are purchased or constructed, the costs of these assets are reported as expenditures in governmental funds. The statement of net position includes those capital assets among the assets of the City.

Cost of capital assets	\$ 550,171,693
Accumulated depreciation	<u>(198,091,118)</u>
Total difference	<u>\$ 352,080,575</u>

*Long-term liability items.* 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	\$ (29,471,000)
Compensated absences	(5,825,213)
Bond premium, discount, or refunding cost (to be amortized to interest income)	(1,202,795)
Accrued interest payable	<u>(300,510)</u>
Total difference	<u>\$ (36,799,518)</u>

*Deferred outflows of resources related to debt.* Deferred outflows relating to the loss on refunding of debt is not a current available resource and is not included in the funds.

Deferred bond loss	<u>\$ 92,575</u>
Total difference	<u>\$ 92,575</u>

*Pension-related items.* Net pension asset, net pension liability, and deferred inflows and outflows related to pensions represent acquisition and consumption of net position that are not applicable in the current period and are not reported in the governmental funds balance sheet. These items are reported in the statement of net position.

Net pension asset	\$ 6,615,165
Deferred pension gains	7,792,399
Net pension liability	(3,450,619)
Deferred pension costs	<u>(11,690,326)</u>
Total difference	<u>\$ (733,381)</u>



**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

A. Explanation of Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position for Governmental Activities (continued)

*Revenue.* Certain revenue is deferred in the governmental funds but is not in the statement of net position because it qualifies for recognition under the economic resource measurement focus.

Deferred ambulance billings	\$ 414,654
Deferred licensing renewal billings	128,998
Internal service fund services to the enterprise funds	127,082
Total difference	<u>\$ 670,734</u>

*Internal service funds.* Internal service funds are used by management to charge the costs of fleet management, IT management, and risk management to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.

Ending restricted net position, Fleet Management Fund	\$ 29,995
Ending unrestricted net position, Fleet Management Fund	3,263,935
Ending unrestricted net position, IT Replacement Fund	1,630,371
Ending unrestricted net position, Risk Management Fund	1,032,093
Net investment in capital assets, Fleet Management Fund	7,494,691
Net investment in capital assets, IT Replacement Fund	12,128
Total difference	<u>\$ 13,463,213</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 for Governmental Activities

*Capital assets.* 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.

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. This is the amount by which capital outlays and capital contributions exceeded depreciation in the current period.

In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Capital outlay	\$ 4,600,316
Depreciation expense	(9,635,436)
Developer contributions	13,699,685
Cost of capital sold	88,377
Total difference	<u>\$ 8,752,942</u>



**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities for Governmental Activities (continued)

*Revenue.* Revenues recognized in the government-wide statement of activities that are not in the fund statements.

Change in deferred ambulance billings	\$ 208,304
Change in deferred licensing renewal billings	51,189
Internal service fund services to the enterprise funds	(189,481)
Total difference	<u>\$ 70,012</u>

*Long-term debt.* The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the statement of activities. The amount below is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments:	
Sales tax revenue bonds	\$ 1,005,000
General obligation bond	670,000
Special assessment revenue bond	905,000
Lease revenue bond	775,000
Loan payable	2,250,000
Interest expense	12,668
Bond premium amortization	220,794
Total difference	<u>\$ 5,838,462</u>

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	\$ 661,215
Net pension asset	3,375,590
Net pension liability	5,142,057
Deferred pension gains	(322,366)
Deferred pension costs	(4,944,910)
Total difference	<u>\$ 3,911,586</u>

The net revenue of certain activities of the internal service funds are reported with governmental activities.

<i>Change in net position</i> from the Fleet Management Fund	\$ 506,868
<i>Change in net position</i> from the IT Replacement Fund	162,737
<i>Change in net position</i> from the Risk Management Fund	189,155
Total difference	<u>\$ 858,760</u>



**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)**

C. Explanation of Differences between the Statement of Net Position for Proprietary Funds and the Government-Wide Statement of Net Position for Business-type Activities

The net effect of certain activities of the internal service funds are reported with business-type activities.

Internal balances	\$ (127,082)
Total difference	<u>\$ (127,082)</u>

D. Explanation of Certain Differences between the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position and the Government-Wide Statement of Activities for Business-type Activities

The net revenue (loss) of the internal service funds applicable to business-type activities.

Allocated revenue (loss) from internal service funds	\$ 189,480
Total difference	<u>\$ 189,480</u>

**NOTE 3 - PROPERTY TAXES**

The Salt Lake County Treasurer acts as an agent for the City and collects and distributes the City's property tax revenue. Utah state laws establish the process by which taxes are levied and collected. The property tax calendar is as follows:

1. By June 8, the City receives valuation, certified tax rate, and levy worksheet forms via the state of Utah's certified tax rate website ([www.taxrates.utah.gov](http://www.taxrates.utah.gov)).
2. Before June 30, the City holds a public hearing and adopts a proposed tax rate. This proposed tax rate is then submitted to the County Auditor for review via the website.
3. Before July 22 (if the City proposes a tax rate higher than the certified tax rate), the County Auditor mails a notice of intent to exceed the certified tax rate to property owners. This notice is normally combined with the tax notice.
4. By August 17, the City holds a public hearing and adopts the final tax rate and certifies the tax rate with the County Auditor.
5. Between August 8 and August 22, taxpayers may petition the County Board of Equalization for an adjustment in the taxable value of the real property.
6. By November 1, the County Auditor approves changes in taxable value of the real property and the County Treasurer mails tax notices with a due date of November 30. Payments made after November 30 are considered delinquent and are subject to a penalty.
7. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the real property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale.

For property taxes, at January 1 of each year (the assessment date), the City has the legal right to collect the taxes and has recorded a receivable and a corresponding deferred inflow of resources for the assessed amount of those property taxes as of January 1, 2021. Most of the tax will not be received until the following fiscal year.

**NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Detailed cash, cash equivalent, and investment accounting records are maintained for each individual fund. However, to provide the maximum amount of interest earnings on all funds of the City, all cash is pooled for deposit and investment purposes.

The City follows the requirements of the Utah Money Management Act (Utah Code, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a “qualified depository.” The Act defines a “qualified depository” 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 as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements, which an institution must maintain to be eligible to accept public funds. The Utah Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City also has its own investment policies which are in alignment with the Act.

**A. Custodial Credit Risk**

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 deposits are insured up to \$250,000 per bank by the Federal Deposit Insurance Corporation (FDIC). Deposits above \$250,000 per bank are exposed to credit risk.

As of June 30, 2021, the City’s bank balance deposit carrying value was \$122,190,695. Of this amount, \$121,921,226 was subject to custodial credit risk because it is uninsured. The City has no formal policy regarding custodial credit risk.

A summary of the City’s bank balances at June 30, 2021 is as follows:

Cash - Bank A	\$ 5,152,344
Cash - Bank B	19,469
Utah Public Treasurer's Investment Fund	116,744,586
Bond Trust Accounts - Bank A	29,995
Bond Trust Accounts - Bank B	244,300
Bond Trust Accounts - Bank C	1
	<u>\$ 122,190,695</u>

A summary of the City’s cash, cash equivalents, and investments at June 30, 2021 is as follows:

Restricted	\$ 46,789,951
Unrestricted	72,854,912
Total	<u>\$ 119,644,863</u>
Cash	\$ 2,900,277
Cash equivalents and investments	116,744,586
Total	<u>\$ 119,644,863</u>

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

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Utah Money Management Act (the Act). The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard & Poor's; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision 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 Treasurers' 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 the participants on an amortized cost basis. The interest income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the Utah Money Management Act. The Act details authorized investments which are high-grade securities and, therefore, subject to very little credit risk except in the most unusual and unforeseen circumstances. The quality ratings for the City's investments are noted in section F below.

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an 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 in section F below.

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.

As of June 30, 2021, the City held no investments outside of the Utah Public Treasurer's Investment Fund which is exempt from the concentration limit.

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

E. Investments

The City's investments are governed by state statutes. The following investment options have been approved for City funds:

1. Negotiable or nonnegotiable deposits of qualified depositories;
2. Repurchase agreements with qualified depositories or primary reporting dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository;
3. Commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Service or Standard & Poor's;
4. Bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less;
5. Negotiable interest-bearing deposits of \$100,000 or more which have a remaining term to maturity of 365 days or less;
6. Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds;
7. Obligations issued or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Banks, Federal Farm Credit Banks, Federal National Mortgage Association, Federal Agricultural Mortgage Corporation, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, or Student Loan Marketing Association;
8. Utah State Treasurer's Investment Fund; and
9. Fixed and variable rate corporate obligations that meet criteria under the Utah Money Management Act.

The City invests in the Public Treasurer's Investment Fund (PTIF), which is an external investment pool administered by the Utah State Treasurer. The PTIF is available for investment of funds administered by any Utah public treasurer. There is no required participation and no minimum balance or minimum/maximum transaction requirements. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act. The Act establishes the Money Management Council, which oversees the activities of the State Treasurer and the PTIF. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees, which is allocated to each participant on the ratio of each participant's share to the total funds. The participant's monthly investment amount is based upon their average daily balance.

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

F. Fair Value of Investments

The City measures and records its investments using the fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

Twice a year, at June 30 and December 31, the investments are valued at fair value and participants are informed of the valuation factor that enables them to adjust their statement balances to fair value. As of June 30, 2021, the City's fair value investments in the PTIF were \$391,371 more than the amortized cost of \$116,744,586. However, since the PTIF operates under an amortized cost basis the City has not adjusted to fair market value.

As of June 30, 2021, the City's \$116,744,586 investment in the PTIF had an average adjusted maturity of less than one year (Level 2 inputs).

**NOTE 5 – RECEIVABLES**

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Accounts receivable	Taxes	Inter-governmental	Gross receivables	Less: Allowance for uncollectible accounts	Total receivables, net
General Fund	\$ 1,508,243	\$ 23,657,961	\$ 811	\$ 25,167,015	\$ (706,032)	\$ 24,460,983
Redevelopment Agency	-	4,300,000	-	4,300,000	-	4,300,000
Capital Projects	332,776	-	-	332,776	-	332,776
Grants Fund	142,210	-	-	142,210	-	142,210
Non-major Governmental	658,776	971,734	343,837	1,974,347	(15)	1,974,332
Water	4,678,468	-	-	4,678,468	(65,077)	4,613,391
Sewer	1,477,691	-	-	1,477,691	(6,601)	1,471,090
Storm Water	478,090	-	-	478,090	(5,345)	472,745
Non-major Proprietary	730,432	-	-	730,432	(21,485)	708,947
Internal Service Funds	114,864	-	-	114,864	-	114,864
	<u>\$ 10,121,550</u>	<u>\$ 28,929,695</u>	<u>\$ 344,648</u>	<u>\$ 39,395,893</u>	<u>\$ (804,555)</u>	<u>\$ 38,591,338</u>

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**NOTE 6 – INTERFUND TRANSFERS**

The City transferred monies between funds to support related capital expenditures in the capital projects fund, related debt service payments, and fees for services to the internal service fund.

	Transfers In:			Total
	General Fund	Capital Projects	Non-Major Governmental	
Transfers Out:				
General Fund	\$ -	\$ 4,778,687	\$ 44,000	\$ 4,822,687
Water	1,312,500	-	-	1,312,500
Sewer	621,000	-	-	621,000
Storm Water	207,375	-	-	207,375
Non-major Proprietary	326,776	-	-	326,776
	<u>\$ 2,467,651</u>	<u>\$ 4,778,687</u>	<u>\$ 44,000</u>	<u>\$ 7,290,338</u>

**NOTE 7 – INTERFUND RECEIVABLES AND PAYABLES**

The City loans monies between funds for temporary cash flow purposes.

	Due to:	
	General Fund	Kraftmaid Special Improvement District Fund
Due from:		
Redevelopment Agency Fund	\$ 4,490,500	
Community Development Block Grant Fund		\$ 91,943
Fire Impact Fee Fund		\$ 90,065

*Resolution 15-227 approved on December 16, 2015. A note from the General Fund to the Redevelopment Agency in the amount of \$4,490,500 for the acquisition of property.*

This note will be repaid in full no later than December 31, 2030 and has no interest-bearing rate.

The due to/due between the Community Development Block Grant Fund, Fire Impact Fee Fund, and Kraftmaid Special Improvement District Fund is to cover a negative cash position at year-end. This is expected to be paid in full during the next fiscal year.

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**NOTE 8 – CAPITAL ASSETS**

<b>Governmental activities</b>	<b>Beg Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Decreases</b>	<b>End Balance</b>
Capital assets, not being depreciated:					
Land	\$ 168,617,997	\$ 1,866,848	\$ -	\$ (15,875)	\$ 170,468,970
Construction in progress	8,852,081	6,758,742	(8,421,605)	(1,085,815)	6,103,403
Total capital assets, not being depreciated	177,470,078	8,625,590	(8,421,605)	(1,101,690)	176,572,373
Capital assets, being depreciated:					
Buildings	56,640,798	172,327	-	(74,788)	56,738,337
Infrastructure	295,750,814	11,966,137	7,014,586	-	314,731,537
Machinery and equipment	25,100,591	1,967,398	1,407,019	(789,196)	27,685,812
Total capital assets being depreciated	377,492,203	14,105,862	8,421,605	(863,984)	399,155,686
Less accumulated depreciation for:					
Buildings	(14,481,425)	(1,312,750)	-	-	(15,794,175)
Infrastructure	(171,688,307)	(8,267,811)	-	-	(179,956,118)
Machinery and equipment	(19,351,910)	(2,152,708)	-	3,609,564	(17,895,054)
Total accumulated depreciation	(205,521,642)	(11,733,269)	-	3,609,564	(213,645,347)
Total capital assets, being depreciated, net	171,970,561	2,372,593	8,421,605	2,745,580	185,510,339
Governmental activities capital assets, net	\$ 349,440,639	\$ 10,998,183	\$ -	\$ 1,643,890	\$ 362,082,712
<b>Business-type activities</b>	<b>Beg Balance</b>	<b>Increases</b>	<b>Transfers</b>	<b>Decreases</b>	<b>End Balance</b>
Capital assets, not being depreciated:					
Land	\$ 7,258,162	\$ 227,500	\$ -	\$ -	\$ 7,485,662
Construction in progress	12,656,136	6,283,749	(8,324,197)	(674,305)	9,941,383
Intangibles	28,341,444	2,440,832	-	-	30,782,276
Total capital assets, not being depreciated	48,255,742	8,952,081	(8,324,197)	(674,305)	48,209,321
Capital assets, being depreciated:					
Buildings	321,357	-	-	-	321,357
Infrastructure	262,702,484	4,951,052	8,324,197	-	275,977,733
Machinery and equipment	2,250,926	-	-	-	2,250,926
Total capital assets being depreciated	265,274,767	4,951,052	8,324,197	-	278,550,016
Less accumulated depreciation for:					
Buildings	(253,527)	(5,286)	-	-	(258,813)
Infrastructure	(86,500,261)	(5,583,624)	-	-	(92,083,885)
Machinery and equipment	(2,167,199)	(20,431)	-	15,651	(2,171,979)
Total accumulated depreciation and amortization	(88,920,987)	(5,609,341)	-	15,651	(94,514,677)
Total capital assets, being depreciated, net	176,353,780	(658,289)	8,324,197	15,651	184,035,339
Business-type activities capital assets, net	\$ 224,609,522	\$ 8,293,792	\$ -	\$ (658,654)	\$ 232,244,660

In the government-wide financial statements, depreciation was expensed by program or activity as follows:

**Governmental activities:**

General government	\$ 2,377,331
Public safety	420,737
Highways and public improvements	8,827,603
Parks, recreation, and culture	107,598
Total depreciation expenditure	<u>\$ 11,733,269</u>

**Business-type activities**

Water	\$ 2,974,414
Wastewater	1,290,594
Storm Water	1,344,333
Total depreciation expense	<u>\$ 5,609,341</u>





**NOTE 9 – INTANGIBLE ASSETS**

A. Water Shares

The City reports both water shares and capacity (or use) rights as intangible assets. As of June 30, 2021, the City owned \$283,731 in water shares.

B. South Valley Water Reclamation Facility

South Valley Water Reclamation Facility (SVWRF) was created by an Interlocal Cooperative Agreement dated June 23, 1978 for the purpose of developing, acquiring, constructing, financing, maintaining, repairing, and operating a regional sewage and water treatment plant and related facilities located in the south part of Salt Lake County. On May 20, 2004, the Interlocal Agreement was amended for the purpose of converting SVWRF to a separate legal entity (a special district under State law rather than a joint administrative entity) and to clarify ownership status, facilitate transfers of ownership, and clarify capacity rights. The City uses the cost method rather than the equity method for reporting purposes.

During fiscal year 2012, SVWRF completed an expansion project increasing the operation from 38 million gallons per day to 50 million gallons per day. The right to the capacity has been adjusted in accordance with the proportion of the expansion paid by the participating entity. Participation in plant expansion is not required.

The following entities have capacity rights as of December 31, 2020.

	<b>Percent</b>	<b>Capacity</b> (in millions of gallons per day)
City of West Jordan	36.44%	18.22
South Valley Sewer District	32.40%	16.20
Sandy Suburban Improvement District	17.32%	8.66
Midvalley Improvement District	7.68%	3.84
Midvale City Corporation	6.16%	3.08
Total	100.00%	50.00

Each entity appoints one member to the Board. Voting power is not related to ownership, therefore, each entity is equal to another for voting privileges. Each entity is billed its share of operating costs based on the entity's metered usage. The City paid operating costs of \$6,424,906 and capital contributions of \$1,583,411 to SVWRF for the fiscal year ended June 30, 2021. The City performs an annual assessment to conclude whether an impairment of the intangible has occurred. Impairment would occur if SVWRF could not provide the capacity the City has a right to receive.

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## NOTE 10 – INVESTMENTS IN JOINT VENTURES

The City is a participant in a joint venture that generates financial resources through member assessments, surcharge taxes, or user fees. The City reflects its equity position (in the net resources of the joint venture) in the funds which have the rights to such resources.

### A. Trans-Jordan Cities

The Association was organized May 22, 1968 as a joint enterprise fund of the Cities of Sandy, Midvale, West Jordan, and Murray, Utah. The City of South Jordan, Utah joined the Association during fiscal year 1997. The cities of Draper and Riverton, Utah joined the Association during fiscal year 1998. The primary purpose of the Association is the operation, maintenance, and control of a refuse dumping site east of Bingham Canyon in Salt Lake County. The City has no firm commitments to make additional equity investments in Trans-Jordan Cities. The City's ownership in the Association is calculated from the tipping fees for the preceding ten fiscal years. The Association is governed by its Board of Directors. Under the organization agreement, the Board of Directors is composed of the Mayors, or their appointed representatives, of the participating cities. The Board of Directors appoints the management and staff of the Association and approves all financial matters such as the operating budget and usage fees.

Separate audited financial statements for Trans-Jordan Cities may be obtained from Trans-Jordan Cities, Accounting Department at 10873 South 7200 West, South Jordan, UT 84095.

As of June 30, 2021, the City has a 21.33 percent ownership share in the Trans-Jordan Cities (the Association) joint enterprise. The City's equity in the net resources of the Association at June 30, 2021, is reported in the government-wide statement of net position.

Tipping fees paid from the Solid Waste Fund to Trans-Jordan Cities were \$859,429 for fiscal year 2021.

## NOTE 11 – INTERLOCAL AGREEMENTS

### A. Valley Emergency Communications Center

The City is a member of the Valley Emergency Communications Center (VECC). VECC was organized June 30, 1988, as a joint enterprise between the City, Midvale City, Salt Lake County, Sandy City, South Jordan City, and West Valley City. The primary purpose is to fund and operate a communications center which handles communications and other services for the members, including police, fire, 911 service, dispatch, and records services.

VECC is governed by a Board of Trustees consisting of one representative from each member appointed by the governing body thereof. The activities are funded by a surcharge tax on telephones within each member's city and member assessments. The Board of Trustees sets assessments for all member agencies in amounts sufficient to provide the funds required for the annual budget. VECC determines the 911 assessments for the telephone users within the members' jurisdictions.

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**NOTE 11 – INTERLOCAL AGREEMENTS (continued)**

A. Valley Emergency Communications Center (continued)

Separate audited financial statements for VECC may be obtained from:

Valley Emergency Communications Center  
 Attn: Finance Director  
 5360 South 5885 West  
 West Valley City, UT 84118

Fees paid from the General Fund to Valley Emergency Communications Center Cities were \$838,295 for fiscal year 2021.

B. Drug Enforcement Administration - Metro Task Force

The City is a member agency of the Drug Enforcement Administration (DEA) Metro Task Force (the Task Force). The Task Force is an interlocal co-operative organized to investigate and prosecute controlled substance offenders in the Salt Lake metropolitan area. The membership of the Task Force consists of sixteen Federal, State, County, and Municipal law enforcement agencies. Activities of the Task Force are funded through federal and state grants, with no funds being provided by the participating members.

Separate audited financial statements for DEA-Metro Task Force may be obtained from the Salt Lake City Finance Department at 451 South State Street, Room 245, Salt Lake City, UT 84111.

**NOTE 12 – CAPITAL LEASES**

The City has entered into lease agreements, as lessee, to finance the acquisition or use of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

	Governmental Activities				
	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Series 2014-A Capital Lease (SunTrust)	\$ 546	\$ -	\$ (546)	\$ -	\$ -
Series 2014-B Capital Lease (Zions Bank)	91,912	-	(91,912)	-	-
Series 2015 Capital Lease (Zions Bank)	369,541	-	(182,968)	186,573	186,573
Series 2017 Capital Lease (Zions Bank)	885,704	-	(438,728)	446,976	446,976
Series 2018 Capital Lease (Zions Bank)	1,097,511	-	(175,422)	922,089	180,527
Series 2019-A Capital Lease (US Bank)	310,387	-	(58,592)	251,795	60,285
Series 2019-B Capital Lease (US Bank)	791,080	-	(103,195)	687,885	135,561
Total	\$ 3,546,681	\$ -	\$ (1,051,363)	\$ 2,495,318	\$ 1,009,922

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**NOTE 12 – CAPITAL LEASES (continued)**

The assets acquired through capital leases are as follows:

A. Series 2015 Capital Lease

Purpose: Two (2) street sweepers, one (1) bobtail, two (2) ambulances, and one (1) 10-wheel truck  
 Date of issuance: December 3, 2015  
 Term: 5 years  
 Interest rate: 1.97%  
 Original issuance: \$1,256,991  
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 186,573	\$ 3,675	\$ 190,248
	\$ 186,573	\$ 3,675	\$ 190,248

B. Series 2017 Capital Lease

Purpose: Two (2) ambulances, three (3) 10-wheel trucks, one (1) street sweeper, one (1) Vactor truck, one (1) SWAT truck, one (1) excavator  
 Date of issuance: November 16, 2017  
 Term: 5 years  
 Interest rate: 1.87%  
 Original issuance: \$2,196,725  
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 446,976	\$ 8,358	\$ 455,334
	\$ 446,976	\$ 8,358	\$ 455,334

(continued on next page)

**NOTE 12 – CAPITAL LEASES (continued)**

C. Series 2018 Capital Lease

Purpose: One (1) fire truck, one (1) 10-wheel truck, one (1) TV inspection vehicle  
 Date of issuance: December 14, 2018  
 Term: 10 years  
 Interest rate: 2.91%  
 Original issuance: \$1,640,973  
 Issuer: Zions Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 180,527	\$ 26,833	\$ 207,360
2023	185,780	21,579	207,359
2024	191,186	16,173	207,359
2025	118,063	10,610	128,673
2026	121,499	7,174	128,673
2027	125,034	3,638	128,672
	<u>\$ 922,089</u>	<u>\$ 86,007</u>	<u>\$1,008,096</u>

D. Series 2019-A Capital Lease

Purpose: One (1) Vactor truck  
 Date of issuance: May 1, 2019  
 Term: 5 years  
 Interest rate: 2.89%  
 Original issuance: \$434,894  
 Issuer: US Bank

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 60,285	\$ 7,276	\$ 67,561
2023	62,027	5,534	67,561
2024	63,819	3,742	67,561
2025	65,664	1,897	67,561
	<u>\$ 251,795</u>	<u>\$ 18,449</u>	<u>\$ 270,244</u>

(continued on the next page)

**NOTE 12 – CAPITAL LEASES (continued)**

E. Series 2019-B Capital Lease

Purpose: One (1) ambulance, two (2) fire trucks  
 Date of issuance: August 22, 2019  
 Term: 9 years  
 Interest rate: 2.28%  
 Original issuance: \$912,311  
 Issuer: Zions Bank

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 135,561	\$ 15,684	\$ 151,245
2023	107,954	13,277	121,231
2024	110,415	10,816	121,231
2025	69,549	8,298	77,847
2026	71,135	6,713	77,848
2027-2029	193,271	10,258	203,529
	<u>\$ 687,885</u>	<u>\$ 65,046</u>	<u>\$ 752,931</u>

**NOTE 13 – LONG TERM DEBT**

The City has outstanding debt related to governmental activities totaling \$22,720,000 in lease revenue bonds, and \$6,751,000 from direct borrowings and/or placements. In addition, the City has outstanding debt related to business-type activities totaling \$7,280,000 in water revenue bonds, and \$3,425,000 from direct borrowings and/or placements.

On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) calendar years with the first payment of \$2.5 million paid at closing and subsequent payments of \$2.25 million on January 31, 2020 and January 29, 2021.

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**NOTE 13 – LONG TERM DEBT (continued)**

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
<b>Governmental activities</b>					
Revenue bonds:					
Series 2016	\$ 23,495,000	\$ -	\$ (775,000)	\$ 22,720,000	\$ 805,000
Notes from direct borrowings and direct placements:					
Series 2008	1,001,000	-	(905,000)	96,000	96,000
Series 2013	1,430,000	-	(345,000)	1,085,000	355,000
Series 2014	3,485,000	-	(670,000)	2,815,000	680,000
Series 2015	3,415,000	-	(660,000)	2,755,000	675,000
RDA Land	2,250,000	-	(2,250,000)	-	-
	<u>\$ 35,076,000</u>	<u>\$ -</u>	<u>\$ (5,605,000)</u>	<u>\$ 29,471,000</u>	<u>\$ 2,611,000</u>
<b>Business-type activities</b>					
Revenue bonds:					
Series 2021	\$ -	\$ 7,280,000	\$ -	\$ 7,280,000	\$ 690,000
Notes from direct borrowings and direct placements:					
Series 2013	2,265,000	-	(2,265,000)	-	-
Series 2016	4,070,000	-	(645,000)	3,425,000	660,000
Series 2017	7,220,000	-	(7,220,000)	-	-
	<u>\$ 13,555,000</u>	<u>\$ 7,280,000</u>	<u>\$ (10,130,000)</u>	<u>\$ 10,705,000</u>	<u>\$ 1,350,000</u>

Debt service requirements on long-term debt at June 30, 2021 are as follows:

Year ending June 30	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 805,000	\$ 1,043,450	\$ 1,806,000	\$ 146,878
2023	845,000	1,006,225	1,735,000	106,518
2024	885,000	962,975	1,775,000	67,998
2025	930,000	917,600	1,435,000	30,647
2026	980,000	869,850	-	-
2027-2031	5,715,000	3,541,125	-	-
2032-2036	7,330,000	1,925,800	-	-
2037-2039	5,230,000	319,400	-	-
	<u>\$22,720,000</u>	<u>\$10,586,425</u>	<u>\$6,751,000</u>	<u>\$ 352,041</u>
Year ending June 30	Business-type Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2022	\$ 690,000	\$ 291,200	\$ 660,000	\$ 66,102
2023	715,000	263,600	670,000	53,364
2024	745,000	235,000	685,000	40,434
2025	775,000	205,200	700,000	27,214
2026	805,000	174,200	710,000	13,704
2027-2031	3,550,000	362,000	-	-
	<u>\$ 7,280,000</u>	<u>\$ 1,531,200</u>	<u>\$3,425,000</u>	<u>\$ 200,818</u>

**NOTE 13 – LONG TERM DEBT (continued)**

*Collateral*

The City has pledged land, property tax, and sales tax revenue as collateral for the notes from direct borrowings related to governmental activities, and utility sales revenue as collateral for the notes from direct borrowings related to business-type activities.

*Events of Default*

The outstanding lease revenue bonds related to governmental activities of \$22,720,000 contain a provision that in an event of default, the building becomes the asset of the Trustee and may be sub-leased and/or sold for the repayment of the outstanding amounts.

The City’s outstanding bonds from direct borrowings and direct placements related to governmental activities of \$6,751,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment or to enforce any obligations including the right to require the City to make monthly deposits to the bond fund.

The City’s outstanding bonds from revenue bonds and direct borrowings and/or placements related to business-type activities of \$10,705,000 contain (1) a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due if pledged revenues during the year are less than 120 percent of debt service coverage due in the following year and (2) a provision that if the City is unable to make payment, outstanding amounts become due immediately. These bonds also contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the trustee determines that a material adverse change occurs.

A. Series 2008 Special Assessment Revenue Bonds

Type: Direct Placement  
 Purpose: Public improvements within RDA area (KraftMaid)  
 Date of issuance: January 29, 2008  
 Term: 15 years  
 Interest rate: 4.45%  
 Original issuance: \$4,497,000  
 Fund: Redevelopment Agency Fund

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 96,000	\$ 4,272	\$ 100,272
	\$ 96,000	\$ 4,272	\$ 100,272

(continued on the next page)



**NOTE 13 – LONG TERM DEBT (continued)**

**B. Series 2013 Sales Tax Revenue Bonds**

Type: Direct Placement  
 Purpose: Construction of Fire Station #54  
 Date of issuance: December 20, 2013  
 Term: 10 years  
 Interest rate: 2.29%  
 Original issuance: \$3,335,000  
 Fund: Fire Impact Fee Fund (60%)  
 Police Impact Fee Fund (40%)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 355,000	\$ 20,782	\$ 375,782
2023	360,000	12,596	372,596
2024	370,000	4,237	374,237
	<u>\$ 1,085,000</u>	<u>\$ 37,615</u>	<u>\$ 1,122,615</u>

**C. Series 2014 General Obligation Refunding Bonds**

Type: Direct Placement  
 Purpose: Refunding 2006 General Obligation Bonds originally issued for the construction of the Justice Center Building and open space acquisition  
 Date of issuance: February 6, 2014  
 Term: 20 years  
 Interest rate: 0.85% - 3.30%  
 Original issuance: \$7,260,000  
 Fund: General Fund

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 680,000	\$ 76,858	\$ 756,858
2023	695,000	61,558	756,558
2024	710,000	44,184	754,184
2025	730,000	24,090	754,090
	<u>\$ 2,815,000</u>	<u>\$ 206,690</u>	<u>\$ 3,021,690</u>

(continued on the next page)

**NOTE 13 – LONG TERM DEBT (continued)**

**D. Series 2015 Sales Tax Revenue Bonds**

Type:	Direct Placement
Purpose:	Park Improvements and Street Lights
Date of issuance:	April 15, 2015
Term:	10 years
Interest rate:	1.86%
Original issuance:	\$6,530,000
Fund:	General Fund

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 675,000	\$ 44,966	\$ 719,966
2023	680,000	32,364	712,364
2024	695,000	19,577	714,577
2025	705,000	6,557	711,557
	<u>\$ 2,755,000</u>	<u>\$ 103,464</u>	<u>\$ 2,858,464</u>

**E. Series 2016 Municipal Building Authority Lease Revenue Bonds**

Type:	Public Offering
Purpose:	Construction of the Public Works Building
Date of issuance:	December 1, 2016
Term:	20 years
Interest rate:	3.00% - 5.00%
Original issuance:	\$24,960,000
Fund:	Municipal Building Authority

Debt service requirements, including interest:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 805,000	\$ 1,043,450	\$ 1,848,450
2023	845,000	1,006,225	1,851,225
2024	885,000	962,975	1,847,975
2025	930,000	917,600	1,847,600
2026	980,000	869,850	1,849,850
2027-2031	5,715,000	3,541,125	9,256,125
2032-2036	7,330,000	1,925,800	9,255,800
2037-2039	5,230,000	319,400	5,549,400
	<u>\$ 22,720,000</u>	<u>\$ 10,586,425</u>	<u>\$ 33,306,425</u>

(continued on the next page)

**NOTE 13 – LONG TERM DEBT (continued)**

F. Series 2016 Storm Drain Revenue Bonds

Type:	Direct Placement
Purpose:	Storm drain infrastructure
Date of issuance:	January 26, 2016
Term:	10 years
Interest rate:	1.93%
Original issuance:	\$6,525,000
Fund:	Storm Water Fund (Utility)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 660,000	\$ 66,102	\$ 726,102
2023	670,000	53,364	723,364
2024	685,000	40,434	725,434
2025	700,000	27,214	727,214
2026	710,000	13,704	723,704
	<u>\$ 3,425,000</u>	<u>\$ 200,818</u>	<u>\$ 3,625,818</u>

G. Series 2021 Water Revenue Bonds

Type:	Utility Revenue
Purpose:	Refunding of Series 2013 and 2017 Water Revenue Bonds, both of which were issued for the construction of water storage tanks
Date of issuance:	February 9, 2021
Term:	10 years
Interest rate:	4.00%
Original issuance:	\$7,280,000
Fund:	Water Fund (Impact fees)

Debt service requirements, including interest:

Year ending June 30	Principal	Interest	Total
2022	\$ 690,000	\$ 291,200	\$ 981,200
2023	715,000	263,600	978,600
2024	745,000	235,000	980,000
2025	775,000	205,200	980,200
2026	805,000	174,200	979,200
2027-2031	3,550,000	362,000	3,912,000
	<u>\$ 7,280,000</u>	<u>\$ 1,531,200</u>	<u>\$ 8,811,200</u>



**NOTE 14 – TAX ABATEMENTS**

Under GASB Statement No. 77, tax abatements are defined as “a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.”

The as the approved the following agreements which are considered tax abatements under the above definition:

A. PayPal Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with PayPal, Inc. on January 9, 2019 for a maximum term of 10 years as an economic development incentive for developing in the Fairchild Economic Development Project Area (EDA #4). This agreement rebates the entity 87% of the business’ personal property tax received by the City for each of the fiscal years up to a maximum rebate of \$6,800,000. Below are the amounts paid per fiscal year and total paid through June 30, 2021.

	Amount
FY 2020	\$ 32,143
FY 2021	<u>273,070</u>
Total paid	<u>\$ 305,212</u>

B. Aligned Energy Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with Aligned Energy Data Centers (SLC), LLC on March 5, 2018 for a maximum term of 10 years as an economic development incentive for developing in the Fairchild Economic Development Project Area (EDA #4). This agreement rebates the entity a portion of the business’ municipal energy tax paid. The agreement allows a rebate of 100% for the first three (3) years and 50% for the following seven (7) years. There is no maximum rebate amount in this agreement.

	Amount
FY 2019	\$ 1,926
FY 2020	28,473
FY 2021	<u>91,767</u>
Total paid	<u>\$ 122,166</u>

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**NOTE 14 – TAX ABATEMENTS (continued)**

C. Bangerter Station Agreement

The Redevelopment Agency of West Jordan entered into a participation agreement with Bangerter Station Associates, LLC on July 11, 2012 and most recently amended on November 8, 2017 for a maximum term of 20 years as an economic development incentive for constructing a mixed-use transit-oriented development in the Jordan Valley Station Project Area (CDA #1). This agreement rebates the entity property tax received by the City for each of the fiscal years up to a maximum rebate of \$21,500,000. Below are the amounts paid per fiscal year and total paid through June 30, 2021.

	Amount
FY 2019	\$ 321,951
FY 2020	329,838
FY 2021	<u>371,309</u>
Total paid	<u>\$ 1,023,098</u>

**NOTE 15 - OTHER LONG-TERM LIABILITIES**

Other long-term liabilities reported include compensated absences and unamortized bond premiums.

For governmental activities these liabilities are reported in the government-wide statement of net position and as expense in the government-wide statement of activities. However, these liabilities are not considered available financial resources and thus not reported in the fund financial statements.

For business-type activities, these liabilities are recorded as expenses and liabilities of those funds as they accrue and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

	Beginning Balance	Increases	Decreases	Ending Balance	Due in One Year
Governmental activities					
Unamortized bond premium	\$ 1,417,203	\$ -	\$ (214,408)	\$ 1,202,795	\$ -
Compensated absences	6,563,330	4,960,306	(5,502,673)	6,020,963	2,522,709
Total	<u>\$ 7,980,533</u>	<u>\$ 4,960,306</u>	<u>\$ (5,717,081)</u>	<u>\$ 7,223,758</u>	<u>\$ 2,522,709</u>
Business-type activities					
Compensated absences	\$ 292,938	\$ 431,630	\$ (432,234)	\$ 292,334	\$ 130,877
Total	<u>\$ 292,938</u>	<u>\$ 431,630</u>	<u>\$ (432,234)</u>	<u>\$ 292,334</u>	<u>\$ 130,877</u>



**NOTE 16 – 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 maintains a self-insurance fund which accumulates resources and accounts for uninsured loss. Under this program, the Risk Management Fund (the Fund) provides coverage for up to a maximum of \$250,000 for each general liability claim. The City purchases commercial insurance for claims in excess of coverage provided by the Fund, and for all other risks of loss.

The City purchased commercial insurance for workers compensation and property damage for buildings and equipment with a cost in excess of \$250,000. All other City vehicles are not covered for property damage. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

The City is self-insured for unemployment.

**NOTE 17 – CONTINGENT LIABILITIES AND COMMITMENTS**

A. Contingent Liabilities

*Grants.* Amounts received or receivable from grant agencies are subject to audit and adjustment by the grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time; however, the City expects any such amounts to be immaterial.

*Legal.* The City is a defendant in various claims and suits arising from the ordinary course of business. A provision for loss related to litigation of \$425,000 was recorded in the accompanying financial statements. Management believes that any liability resulting from these matters is adequately covered by this provision.

B. Commitments

*Construction and equipment acquisition contracts.* The City had active contract commitments on the following projects as of June 30, 2021.

Project type	Remaining commitment
General government	\$ 32,000
Highways and public improvements	7,739,866
Parks, recreation, and culture	796,819
Water	3,754,522
Storm water	1,829,779
	\$ 14,152,986

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**NOTE 17 – CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

*Related-Party Debt.* The City is party to an interlocal agreement with South Valley Water Reclamation Facility (SVWRF). SVWRF expanded plant operations from 38 million gallons per day to 50 million gallons per day. The cost of plant expansion has been partially funded with debt.

In addition, SVWRF funded the construction of plant enhancements to comply with updated federal standards with debt.

The following schedule is the City’s estimated share of expansion costs and related debt service payments.

Year ending June 30	Principal	Interest
2022	\$ 2,008,341	\$ 804,424
2023	2,096,242	720,851
2024	2,193,902	624,638
2025	2,291,879	523,765
2026	2,399,297	418,111
2027-2031	9,844,827	773,083
	\$ 20,834,488	\$ 3,864,872

**NOTE 18 – REDEVELOPMENT AGENCY**

The City of West Jordan Redevelopment Agency (the Agency) is established to further public purposes in the redevelopment of certain City areas.

The following areas are active within the Agency:

RDA Area 1	Town Center	6600-7000 S Redwood
RDA Area 2	Industrial Park	1100-1500 W 7800-8000 South
RDA Area 3	Southwire	3200-3600 W 8600 South
RDA Area 4	Spratling	1300-1700 W 9000 South
RDA Area 5	Downtown	1900 W 7600-7900 South
RDA Area 6	Briarwood	1500-1825 W 7700-8200 South
EDA Area 2	KraftMaid	10026 S Prosperity Rd
EDA Area 3	Data Center	6200 W 10120 South
CDA Area 1	Jordan Valley Station	3295 W 9000 South

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**NOTE 18 – REDEVELOPMENT AGENCY (continued)**

A. Tax Increment

Tax increment was generated by the following project areas with the Agency:

RDA Area 1	\$ 309,522
RDA Area 2	175,240
RDA Area 4	409,038
RDA Area 5	313,443
RDA Area 6	198,483
EDA Area 2	1,194,966
EDA Area 3	1,044,053
EDA Area 4	313,873
CDA Area 1	376,963
	<hr/>
	4,335,581
Interest earnings	66,504
Total	<hr/> <u>\$ 4,402,085</u>

B. Redevelopment Activity

During the year, the Agency expended monies in the categories below:

Administrative costs	\$ 167,370
Principal	3,155,000
Interest	100,794
Redevelopment activity	1,146,901
Total	<hr/> <u>\$ 4,570,065</u>

C. Obligations

In 2008, the Agency issued a tax increment revenue bond in the amount of \$4,497,000 to finance infrastructure within the KraftMaid economic development area. The bonds are payable solely from the incremental property tax generated by the increased property tax in the area. Incremental property taxes were projected to produce 140% of the debt service requirements over the life of the bonds. The principal and interest remaining on the bonds is \$100,272 payable through fiscal year 2022. In the current year, principal and interest paid was \$905,000 and \$44,545, respectively. Total incremental property tax revenues were \$1,194,966 (126% of debt service).



## NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

*Plan description.* Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds.

### A. Defined Benefit Plans

The following defined benefit plans are multiple-employer, cost-sharing retirement systems:

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Public Employees Contributory Retirement System (Contributory System)
- Firefighters Retirement System (Firefighters System)

The following defined benefit plan is a cost-sharing, multiple-employer, public employee retirement system:

- Public Safety Retirement system (Public Safety System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)

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 State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement 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 can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Summary of Benefits by System**

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 25 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 to 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 upon 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 age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

\* Actuarial reductions are applied.

\*\* 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.

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Contribution Rate Summary**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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 as of June 30, 2021 are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
<b>Contributory System</b>				
11 - Local Governmental Division Tier 1	N/A	6.00%	14.46%	N/A
111 - Local Governmental Division Tier 2	N/A	N/A	15.80%	0.89%
<b>Noncontributory System</b>				
15 - Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
<b>Public Safety Contributory System</b>				
122 - Tier 2 DB Hybrid Public Safety	N/A	2.27%	23.74%	N/A
<b>Public Safety Noncontributory System</b>				
49 - Other Division B 2.5% COLA	N/A	N/A	32.28%	N/A
<b>Firefighters System</b>				
32 - Division B Tier 1	N/A	16.71%	7.24%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	2.27%	14.08%	N/A
<b>Tier 2 DC Only</b>				
211 - Local Government	N/A	N/A	6.69%	10.00%
222 - Public Safety	N/A	N/A	9.74%	14.00%
232 - Firefighters	N/A	N/A	0.08%	14.00%

\*\*\*Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Contribution Rate Summary (continued)**

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 1,689,099	NA
Public Safety System	1,487,962	-
Firefighters System	311,481	718,901
Tier 2 Public Employees System	787,143	-
Tier 2 Public Safety and Firefighter System	906,900	99,840
Tier 2 DC Only System	68,590	NA
Tier 2 DC Public Safety and Firefighter System	30,067	NA
Total contributions	\$ 5,281,242	\$ 818,741

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pension**

At June 30, 2021, the City reported a net pension asset of \$7,281,618 and a net pension liability of \$3,798,256.

System	Measurement Date: December 31, 2020			Proportionate Share December 31, 2019	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 609,538	1.1883152%	1.2688111%	-0.0804959%
Contributory System	14,566	-	0.0812730%	0.3651152%	-0.2838422%
Public Safety System	-	2,948,207	8.2001174%	8.6883255%	-0.4882081%
Firefighters System	7,267,052	-	5.3935911%	5.6666294%	-0.2730383%
Tier 2 Public Employees System	-	44,766	0.3112478%	0.3422252%	-0.0309774%
Tier 2 Public Safety and Firefighter System	-	195,745	2.1823537%	2.1378063%	0.0445474%
	\$ 7,281,618	\$ 3,798,256			

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, the City recognized a pension expense of \$1,725,582.



**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pension (continued)**

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 4,544,295	\$ 273,373
Changes in assumptions	1,211,480	244,107
Net difference between projected and actual earnings on pension plan investments	-	11,887,315
Changes in proportion and differences between contributions and proportionate share of contributions	211,266	463,288
Contributions subsequent to the measurement date	2,610,410	-
	\$ 8,577,451	\$ 12,868,083

Deferred outflows of resources related to pensions of \$2,610,410 results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as 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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,048,874)
2022	(472,828)
2023	(3,690,533)
2024	(1,887,408)
2025	25,647
Thereafter	172,954

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Noncontributory System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized pension expense of \$541,070.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 817,738	\$ -
Changes in assumptions	-	79,731
Net difference between projected and actual earnings on pension plan investments	-	4,450,879
Changes in proportion and differences between contributions and proportionate share of contributions	41,676	308,453
Contributions subsequent to the measurement date	827,765	-
	\$ 1,687,199	\$ 4,839,063

Deferred outflows of resources related to pensions of \$827,785 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,108,194)
2022	(557,355)
2023	(1,576,204)
2024	(737,895)
2025	-
Thereafter	-

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Contributory System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized a pension expense of \$(71,578).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	24,710
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
	\$ -	\$ 24,710

Deferred outflows of resources related to pensions of \$0 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (7,903)
2022	(3,787)
2023	(8,991)
2024	(4,029)
2025	-
Thereafter	-

(continued on next page)



**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Public Safety System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized pension expense of \$2,215,530.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 3,340,670	\$ -
Changes in assumptions	314,624	141,775
Net difference between projected and actual earnings on pension plan investments	-	3,014,017
Changes in proportion and differences between contributions and proportionate share of contributions	7,218	154,835
Contributions subsequent to the measurement date	717,925	-
	\$ 4,380,437	\$ 3,310,627

Deferred outflows of resources related to pensions of \$727,925 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 985,286
2022	576,177
2023	(708,537)
2024	(501,041)
2025	-
Thereafter	-

(continued on next page)



**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Firefighters System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized pension expense of \$ (1,966,174).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 243,465	\$ 252,812
Changes in assumptions	794,743	-
Net difference between projected and actual earnings on pension plan investments	-	4,141,761
Changes in proportion and differences between contributions and proportionate share of contributions	67,507	-
Contributions subsequent to the measurement date	150,467	-
	\$ 1,256,182	\$ 4,394,573

Deferred outflows of resources related to pensions of \$150,467 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (871,608)
2022	(458,374)
2023	(1,334,917)
2024	(623,960)
2025	-
Thereafter	-

(continued on next page)

**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Tier 2 Public Employees System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized pension expense of \$437,744.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 41,208	\$ 20,499
Changes in assumptions	56,624	1,629
Net difference between projected and actual earnings on pension plan investments	-	130,852
Changes in proportion and differences between contributions and proportionate share of contributions	61,577	-
Contributions subsequent to the measurement date	431,863	-
	<u>\$ 591,272</u>	<u>\$ 152,980</u>

Deferred outflows of resources related to pensions of \$431,863 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (22,871)
2022	(13,677)
2023	(30,923)
2024	(9,395)
2025	14,734
Thereafter	68,561

(continued on next page)

**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Tier 2 Public Safety and Firefighter System Pension Expense and Deferred Outflows and/or Inflows of Resources**

At June 30, 2021, the City recognized pension expense of \$595,990.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected an actual experience	\$ 101,214	\$ 62
Changes in assumptions	45,489	20,972
Net difference between projected and actual earnings on pension plan investments	-	125,096
Changes in proportion and differences between contributions and proportionate share of contributions	33,288	-
Contributions subsequent to the measurement date	482,371	-
	\$ 662,362	\$ 146,130

Deferred outflows of resources related to pensions of \$482,371 results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (23,584)
2022	(15,812)
2023	(30,962)
2024	(11,088)
2025	10,913
Thereafter	104,393

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**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Actuarial Assumptions**

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement.

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average (including inflation)
Investment rate of return	6.95 percent, net of pension plan investment expense (including inflation)

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting 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 arithmetical real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target asset allocation	Real return arithmetical basis	Long-term expected portfolio real rate of return
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalents	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>		<b>4.84%</b>
Inflation			2.50%
Expected arithmetical nominal return			7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return rate of 4.45% that is net of investment expense.

**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

A. Defined Benefit Plans (continued)

**Actuarial Assumptions (continued)**

*Discount rate:* The discount rate used to measure the total pension liability was 6.95 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 periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remains unchanged at 6.95 percent.

*Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:* The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percent point lower (5.95 percent) or 1 percent point higher (7.95 percent) than the current rate:

	1% decrease (5.95%)	Discount rate (6.95%)	1% increase (7.95%)
Noncontributory System	\$ 10,567,575	\$ 609,538	\$ (7,691,984)
Contributory System	21,664	(14,566)	(45,156)
Public Safety System	10,777,853	2,948,207	(3,431,502)
Firefighters System	954,060	(7,267,052)	(14,015,396)
Tier 2 Public Employees System	753,279	44,766	(497,228)
Tier 2 Public Safety and Firefighter System	922,874	195,745	(384,187)
	<u>\$ 23,997,305</u>	<u>\$ (3,482,362)</u>	<u>\$ (26,065,453)</u>

*Pension plan fiduciary net position.* Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

(continued on next page)

**NOTE 19 – EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (continued)**

B. Defined Contribution Savings Plan

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City of West Jordan participates in the following defined contribution savings plans with Utah Retirement Systems.

- 401(k) plan
- 457(b) plan
- Roth IRA plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows.

	FY 2019	FY 2020	FY 2021
401 (k) Plan			
Employer contributions	\$ 289,687	\$ 295,735	\$ 280,102
Employee contributions	50,547	36,560	61,676
457 Plan			
Employer contributions	83,369	66,703	84,906
Employee contributions	18,545	21,625	18,447
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	-	-	400

**NOTE 20 – DEFERRED COMPENSATION**

A. Deferred Compensation Plan (457)

The City offers its employees a deferred compensation plan (the plan) through ICMA Retirement Corporation or through the Utah Retirement Systems (URS) created in accordance with Internal Revenue Code (IRC) Section 457. The ICMA plan, available to all City employees, permits the deferral of a portion of salary until future years. Participation in this plan is optional. The URS plan is only available to part-time employees on a noncontributory basis. Both investment plans are managed by the plans’ trustee under one of four investment options or a combination thereof. The choice of investment options is made by the participants. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. These investments are within the legal provisions of the State of Utah.

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**NOTE 20 – DEFERRED COMPENSATION (continued)**

**B. Defined Contribution Money Purchase Plan**

The City also participates in insured, contributory defined contribution retirement plans administered by ICMA Retirement Corporation. Under the plan, the City contributes amounts from 1.16% to 32.28% depending upon the defined contribution system to which each employee class belongs. Employees are classified as management, general employee, police, or fire.

An employee is vested immediately with the first contribution to ICMA Retirement Corporation. Contributions to the plan were authorized by Council resolution. The plan was established by and can be amended by City Council. No other federal or state laws obligate the City to participate in this plan. The program is pursuant to section 401(A) and 401(C) of the Internal Revenue Code. Withdrawals of monies, per federal law are subject to a mandatory withdrawal penalty in the amount of 10% unless the employee has attained the age of 59 ½ years. Most of the City’s full-time employees participate in the ICMA Retirement Corporation.

**C. Sick Leave Conversion Benefit**

At retirement, employees may choose to participate in the City’s health insurance program at their own cost. Qualified employees may convert their sick leave balance, upon leaving City employment, to pay for continued medical and dental insurance premiums. To qualify for the City’s sick leave conversion benefit, an employee must be a full-time employee with at least ten (10) years of service with the City or five (5) years of service with the City at age 60 to be considered a retired employee with the City of West Jordan.

The percentage of convertible sick leave hours varies based on the retiree’s years of service.

<u>Years of service</u>	<u>Conversion percentage</u>
5 - 9 years	40%
10-14 years	50%
15-19 years	60%
20 or more years	70%

The City’s regular health and dental care benefit providers underwrite the retiree policies and 100% of the cost is the responsibility of the retiree. As of year-end, there were six (6) employees participating in this program.

In the governmental funds, the liability for sick leave conversion is reported only if they have matured, (i.e., unused sick leave has been converted to pay a health insurance premium for a retired employee). These conversion costs are typically liquidated through the General Fund. The noncurrent portion of these amounts for government funds is recognized within the government-wide statements. A liability for the sick leave conversion has been accrued in the amount of \$1,289,990 in governmental activities, and \$107,338 in business-type activities for a total accrual amount of \$1,397,328.



**NOTE 21 – FUND BALANCE**

Financial statement fund balance category details are as follows:

Fund Type	General Fund	Redevelopment Agency Fund	Capital Projects Fund	Grants Fund	Non-major Governmental Funds	Total
Nonspendable						
Prepays	\$ 800,229	\$ -	\$ 1,077,841	\$ -	\$ -	\$ 1,878,070
Restricted						
Debt service	206	-	-	-	1,794	2,000
Impact fees	-	-	17,286,326	-	-	17,286,326
Federal funds	3,992	-	-	15,485	680,014	699,491
State funds	-	-	8,128,233	-	-	8,128,233
Assigned						
Redevelopment	-	8,419,274	-	-	-	8,419,274
Debt service	-	-	-	-	1,707,133	1,707,133
Limited purpose fund	-	-	-	-	4,403,747	4,403,747
Community center	-	-	5,700,000	-	-	5,700,000
Capital projects	-	-	3,980,385	-	-	3,980,385
Unassigned	20,927,818	-	-	-	(90,065)	20,837,753
	<u>\$ 21,732,245</u>	<u>\$ 8,419,274</u>	<u>\$ 36,172,785</u>	<u>\$ 15,485</u>	<u>\$ 6,702,623</u>	<u>\$ 73,042,412</u>

**NOTE 22 – PRIOR PERIOD ADJUSTMENTS**

The City reported a prior period adjustment of depreciation related to extending the useful life of vehicles and equipment from five (5) years to an average useful life for the specific equipment type. The following prior period adjustments are reported:

	Adjustment Amount
Internal Service Fund:	
Fleet Management Fund	\$ 3,060,353
Proprietary Funds:	
Water Fund	4,918
Sewer Fund	10,733
Total Prior Period Adjustment	<u>\$ 3,076,004</u>



**NOTE 23 – BUDGET NONCOMPLIANCE**

The City was not in compliance with legal provisions as follows:

The City is in violation of the State Budget Act by incurring deficits and exceeding budgeted appropriations in the Redevelopment Agency Fund and Municipal Building Authority Fund. Both of these funds require the scheduling of a special board meeting for a budget amendment.

A. Redevelopment Agency Fund

Expenditures exceeded the budget by \$1,925,745. The difference represents the principal and interest paid on the purchase contract detailed below. This payment was omitted from the budget due to clerical error.

*Purchase Contract:* On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) calendar years with the first payment of \$2.5 million paid at closing and subsequent payments of \$2.25 million on January 31, 2020 and January 29, 2021.

B. Municipal Building Authority Fund

Expenditures exceeded the budget by \$348,235. The difference represents the payment of a final settlement with the contractor of the public works building. This payment was omitted from a budget amendment due to clerical error.

**NOTE 24 - RECENT ACCOUNTING PRONOUNCEMENTS**

GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the City upon implementation. Management has not yet evaluated the effect of the implementation of these standards.

<b>GASB Accounting Standard</b>	<b>Required Year of Adoption</b>
GASB Statement No. 87, <i>Leases</i>	2022
GASB Statement No. 89, <i>Accounting for Interest Cost Incurred before the End of a Construction Period</i>	2022
GASB Statement No. 91, <i>Conduit Debt Obligations</i>	2023
GASB Statement No. 92, <i>Omnibus 2020</i>	2022
GASB Statement No. 93, <i>Replacement of Interbank Offered Rates</i>	2022
GASB Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>	2023
GASB Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i>	2023
GASB Statement No. 96, <i>Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.</i>	2022
Implementation Guide No. 2019-1	2021
Implementation Guide No. 2019-3	2022

**REQUIRED SUPPLEMENTARY INFORMATION**



**For Fiscal Year Ended June 30, 2021**



*Jordan River Trail Project*

CITY OF WEST JORDAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 For the Fiscal Year Ended June 30, 2021



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 GENERAL FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Sales tax	\$ 18,950,000	\$ 26,850,000	\$ 29,007,979	\$ 2,157,979
Property tax	17,372,559	17,312,559	18,080,453	767,894
Franchise tax	7,183,000	7,080,000	7,553,010	473,010
Licenses and permits	2,579,600	3,947,100	4,031,943	84,843
Intergovernmental	778,246	5,937,889	5,963,774	25,885
Charges for services	3,580,800	3,904,800	3,583,062	(321,738)
Fines and forfeitures	1,140,000	1,140,000	1,122,547	(17,453)
Miscellaneous	237,000	213,465	273,588	60,123
Investment income	-	100,000	100,181	181
Total revenues	51,821,205	66,485,813	69,716,537	3,230,724
<b>EXPENDITURES</b>				
General government				
Legislative services	411,132	455,201	357,176	(98,025)
Mayor	392,719	396,719	389,297	(7,422)
Administrative services	1,219,907	1,176,416	1,114,498	(61,918)
Communications	362,796	387,796	278,032	(109,764)
Justice court	809,551	809,551	796,605	(12,946)
Legal services	1,575,657	1,827,157	1,663,809	(163,348)
Non-departmental	3,738,619	5,853,804	4,859,680	(994,124)
Total general government	8,510,381	10,906,644	9,459,097	(1,447,547)
Community development				
Boards and commissions	11,900	16,650	13,975	(2,675)
Community preservation	555,602	555,602	539,210	(16,392)
Development services	1,698,965	2,105,083	2,018,880	(86,203)
Economic development	488,369	488,369	440,618	(47,751)
Total community development	2,754,836	3,165,704	3,012,683	(153,021)
Public safety				
Fire department	11,677,077	12,429,637	12,371,058	(58,579)
Police department	20,319,795	20,902,355	19,758,238	(1,144,117)
Total public safety	31,996,872	33,331,992	32,129,296	(1,202,696)
Highways and public improvements				
Engineering	1,079,435	1,089,435	1,036,759	(52,676)
Facilities management	1,378,123	1,378,123	1,234,005	(144,118)
GIS	301,179	303,179	283,964	(19,215)
Public works administration	1,215,575	1,316,821	1,302,417	(14,404)
Streets and highways	3,722,817	3,859,930	3,200,642	(659,288)
Total highways and public improvements	7,697,129	7,947,488	7,057,787	(889,701)
Parks, recreation, and culture				
Parks and recreation	4,058,358	4,369,764	3,970,268	(399,496)
Cemetery	152,384	154,384	131,096	(23,288)
Total parks, recreation, and culture	4,210,742	4,524,148	4,101,364	(422,784)
Debt service				
Principal	1,447,300	1,330,000	1,330,000	-
Interest and fiscal charges	159,505	149,714	150,589	875
Total debt service	1,606,805	1,479,714	1,480,589	875
Total expenditures	56,776,765	61,355,690	57,240,816	(4,114,874)
Excess (deficiency) of revenues over (under) expenditures	(4,955,560)	5,130,123	12,475,721	7,345,598
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	-	-
Sale of capital assets	-	133,638	-	(133,638)
Transfers in	2,469,625	2,469,625	2,467,651	(1,974)
Transfers out	-	(4,843,687)	(4,822,687)	21,000
Net other financing sources (uses)	2,469,625	(2,240,424)	(2,355,036)	(114,612)
Net change in fund balance	\$ (2,485,935)	\$ 2,889,699	10,120,685	\$ 7,230,986
Fund balance at beginning of year			11,611,560	
Fund balance at end of year			\$ 21,732,245	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 REDEVELOPMENT AGENCY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Tax increment	\$ 4,614,010	\$ 4,614,010	\$ 4,335,581	\$ (278,429)
Investment income	-	-	66,504	66,504
Total revenues	4,614,010	4,614,010	4,402,085	(211,925)
<u>EXPENDITURES</u>				
Community development	1,693,274	1,693,274	1,314,270	(379,004)
Debt service				
Principal	905,000	905,000	3,155,000	2,250,000
Interest and fiscal charges	46,045	46,045	100,794	54,749
Total expenditures	2,644,319	2,644,319	4,570,064	1,925,745
Excess (deficiency) of revenues over (under) expenditures	1,969,691	1,969,691	(167,979)	(2,137,670)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	50,000	50,000	-	(50,000)
Net other financing sources (uses)	50,000	50,000	-	(50,000)
Net change in fund balance	\$ 2,019,691	\$ 2,019,691	(167,979)	\$ (2,187,670)
Fund balance at beginning of year			8,587,253	
Fund balance at end of year			\$ 8,419,274	

Actual debt service exceeded the budget by \$2,304,749 which represents the principal and interest paid on the purchase contract detailed below. This payment was omitted from the budget due to clerical error.

*Purchase Contract:* On August 1, 2019, the RDA acquired 30.10 acres of vacant real property located at 8872 South and 8900 South 5600 West for \$7.0 million for the purpose of redevelopment. The purchase contract has terms payable over three (3) calendar years with the first payment of \$2.5 million paid at closing and subsequent payments of \$2.25 million on January 31, 2020 and January 29, 2021.

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 UTAH STATE RETIREMENT SYSTEM  
 LAST 10 CALENDAR YEARS <sup>1</sup>**

Description	Noncontributory System	Contributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)						
2014	1.7011000%	0.3240027%	8.2965555%	4.9048915%	0.2024813%	2.6819950%
2015	1.2273040%	0.4138862%	9.7373100%	5.4646755%	0.2704988%	2.0154316%
2016	1.2119729%	0.2825332%	9.4109506%	5.5464135%	0.2948270%	1.5682947%
2017	1.2650118%	0.3055995%	9.3454120%	5.7776911%	0.3450485%	1.5516803%
2018	1.2468246%	0.3392182%	9.1743034%	5.6319581%	0.3632005%	1.8520053%
2019	1.2688111%	0.3651152%	8.6883255%	5.6666294%	0.3422252%	2.1378063%
2020	1.1883152%	0.0812730%	8.2001174%	5.3935911%	0.3112478%	2.1823537%
Proportionate share of the net pension liability (asset)						
2014	\$ 5,080,893	\$ 93,456	\$ 3,280,729	\$ (539,772)	\$ (6,136)	\$ (30,595)
2015	6,944,683	290,902	4,427,539	929,860	(590)	(29,446)
2016	7,782,349	92,702	5,865,818	820,411	32,888	(13,614)
2017	5,542,395	24,868	4,515,735	(1,296,140)	30,422	(17,954)
2018	9,181,272	137,656	7,229,314	2,276,167	155,551	46,403
2019	4,781,982	23,928	4,314,621	(3,543,419)	76,969	201,091
2020	609,538	(14,566)	2,948,207	(7,267,052)	44,766	195,745
Covered employee payroll						
2014	\$ 10,037,607	\$ 173,319	\$ 5,135,804	\$ 4,487,493	\$ 994,300	\$ 855,275
2015	10,412,970	176,350	5,659,403	5,024,250	1,747,810	1,199,072
2016	10,382,002	67,790	6,036,397	5,225,937	2,417,827	1,295,752
2017	10,495,839	62,011	5,844,309	5,178,980	3,375,494	1,637,646
2018	10,259,405	63,492	5,663,301	4,870,360	4,240,142	2,473,163
2019	10,619,793	65,426	5,519,353	4,815,909	4,757,046	3,523,470
2020	9,915,781	13,406	5,162,478	4,457,130	4,977,883	4,381,840
Proportionate share of the net pension liability (asset) as a percentage of its covered-employees payroll						
2014	50.62%	53.92%	63.88%	-12.03%	-0.62%	-3.58%
2015	66.69%	164.96%	78.23%	18.51%	-0.03%	-2.46%
2016	74.96%	136.75%	97.17%	15.70%	1.36%	-1.05%
2017	52.81%	40.10%	77.27%	-25.03%	0.90%	-1.10%
2018	89.49%	216.81%	127.65%	46.74%	3.67%	1.88%
2019	45.03%	36.57%	78.17%	-73.58%	1.62%	5.71%
2020	6.15%	-108.65%	57.11%	-163.04%	0.90%	4.51%
Plan fiduciary net position as a percentage of the total pension liability						
2014	90.2%	94.0%	89.0%	101.3%	103.5%	120.5%
2015	87.8%	85.7%	87.6%	98.1%	100.2%	110.7%
2016	87.3%	92.9%	86.1%	98.4%	95.1%	103.6%
2017	91.9%	98.2%	90.5%	102.3%	97.4%	103.0%
2018	87.0%	91.2%	85.6%	96.1%	90.8%	95.6%
2019	93.7%	98.6%	91.7%	105.8%	96.5%	89.6%
2020	99.2%	103.9%	94.5%	112.0%	98.3%	93.1%

<sup>1</sup> In accordance with paragraph 81.a of GASB 68, employers will disclose a 10-year history of their proportionate share of the net pension liability (asset) in the RSI section of the Comprehensive Annual Finance Report. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.

**SCHEDULE OF CONTRIBUTIONS  
 UTAH STATE RETIREMENT SYSTEM  
 LAST 10 CALENDAR YEARS <sup>1</sup>**

Retirement System Description	As of fiscal year-ended June 30	Actuarial-determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 1,688,521	\$ 1,688,521	\$ -	\$ 9,915,750	17.03%
	2015	1,849,992	1,849,992	-	10,195,584	18.15%
	2016	1,895,144	1,895,144	-	10,456,544	18.12%
	2017	1,883,503	1,883,503	-	10,386,083	18.13%
	2018	1,873,328	1,873,328	-	10,320,881	18.15%
	2019	1,890,765	1,890,765	-	10,480,494	18.04%
	2020	1,901,791	1,901,791	-	10,539,272	18.04%
	2021	1,689,099	1,689,099	-	9,395,934	17.98%
Contributory System	2014	\$ 22,708	\$ 22,708	\$ -	\$ 170,991	13.28%
	2015	25,231	25,231	-	174,485	14.46%
	2016	18,197	18,197	-	123,358	14.75%
	2017	8,864	8,864	-	61,298	14.46%
	2018	9,055	9,055	-	62,525	14.48%
	2019	9,321	9,321	-	64,459	14.46%
	2020	6,739	6,739	-	46,603	14.46%
	2021	-	-	-	-	0.00%
Public Safety System	2014	\$ 1,613,136	\$ 1,613,136	\$ -	\$ 5,149,019	31.33%
	2015	1,685,006	1,685,006	-	5,322,889	31.66%
	2016	1,871,960	1,871,960	-	5,885,461	31.81%
	2017	1,907,382	1,907,382	-	5,992,379	31.83%
	2018	1,823,310	1,823,310	-	5,731,430	31.81%
	2019	1,745,659	1,745,659	-	5,559,041	31.40%
	2020	1,684,907	1,684,907	-	5,439,513	30.98%
	2021	1,487,962	1,487,962	-	4,843,150	30.72%
Firefighters System	2014	\$ 177,099	\$ 177,099	\$ -	\$ 4,766,632	3.72%
	2015	299,046	299,046	-	4,707,165	6.35%
	2016	318,364	318,364	-	5,133,223	6.20%
	2017	320,243	320,243	-	5,165,166	6.20%
	2018	318,396	318,396	-	5,019,492	6.34%
	2019	336,248	336,248	-	4,850,595	6.93%
	2020	332,446	332,446	-	4,659,333	7.14%
	2021	311,481	311,481	-	4,303,193	7.24%
Tier 2 Public Employees System <sup>2</sup>	2014	\$ 115,448	\$ 115,448	\$ -	\$ 825,825	13.98%
	2015	210,262	210,262	-	1,398,883	15.03%
	2016	315,373	315,373	-	2,116,383	14.90%
	2017	442,470	442,470	-	2,976,227	14.87%
	2018	618,158	618,158	-	4,122,792	14.99%
	2019	709,417	709,417	-	4,567,733	15.53%
	2020	772,387	772,387	-	4,963,859	15.56%
	2021	787,143	787,143	-	5,016,246	15.69%
Tier 2 Public Safety and Firefighter System <sup>2</sup>	2014	\$ 112,573	\$ 112,573	\$ -	\$ 667,638	16.86%
	2015	180,387	180,387	-	1,082,932	16.66%
	2016	197,640	197,640	-	1,210,354	16.33%
	2017	231,630	231,630	-	1,424,489	16.26%
	2018	330,741	330,741	-	2,003,555	16.51%
	2019	514,525	514,525	-	3,062,384	16.80%
	2020	678,942	678,942	-	4,049,461	16.77%
	2021	906,900	906,900	-	4,642,242	19.54%



**SCHEDULE OF CONTRIBUTIONS (continued)**  
**UTAH STATE RETIREMENT SYSTEM**  
**LAST 10 CALENDAR YEARS <sup>1</sup>**

Retirement System Description	As of fiscal year-ended June 30	Actuarial-determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Tier 2 Public Employees DC Only System <sup>2</sup>	2014	\$ 9,127	\$ 9,127	\$ -	\$ 141,643	5.58%
	2015	14,185	14,185	-	168,086	8.44%
	2016	24,459	24,459	-	314,525	7.78%
	2017	33,012	33,012	-	479,860	6.88%
	2018	27,385	27,385	-	405,729	6.75%
	2019	50,725	50,725	-	761,510	6.66%
	2020	56,589	56,589	-	826,256	6.85%
	2021	68,590	68,590	-	1,016,573	6.75%
Tier 2 Public Safety and Firefighter DC Only System <sup>2</sup>	2014	\$ 11,877	\$ 11,877	\$ -	\$ 139,202	9.94%
	2015	16,194	16,194	-	201,646	8.03%
	2016	20,314	20,314	-	256,941	7.91%
	2017	22,731	22,731	-	284,258	8.00%
	2018	22,523	22,523	-	287,761	7.83%
	2019	24,387	24,387	-	323,896	7.53%
	2020	31,956	31,956	-	447,678	7.14%
	2021	30,067	30,067	-	432,338	6.95%

<sup>1</sup> In accordance with paragraph 81.a of GASB 68, employers will disclose a 10-year history of their proportionate share of the net pension liability (asset) in the RSI section of the Annual Comprehensive Financial Report. This schedule presents this information from the date the information was required. Subsequent years will be added as the information becomes available.

<sup>2</sup> Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011.



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**NOTE 1 – CHANGES IN ASSUMPTIONS**

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at [newsroom.urs.org](https://newsroom.urs.org) under the “Retirement Office” column using the “Reports and Stats” tab.

**SUPPLEMENTARY INFORMATION**



**For Fiscal Year Ended June 30, 2021**



*West Jordan Police*



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 CAPITAL IMPROVEMENT PROJECTS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact fees	\$ 1,700,000	\$ 3,800,000	\$ 3,851,745	\$ 51,745
Intergovernmental	8,741,171	2,798,900	3,219,478	420,578
Miscellaneous	-	-	3,196	3,196
Investment income	-	185,000	145,163	(39,837)
Total revenues	10,441,171	6,783,900	7,219,582	435,682
<u>EXPENDITURES</u>				
Highways and public improvements	18,766,410	7,351,397	2,083,429	(5,267,968)
Parks, recreation, and culture	3,500,000	5,000,000	3,039,685	(1,960,315)
Total expenditures	22,266,410	12,351,397	5,123,114	(7,228,283)
Excess (deficiency) of revenues over (under) expenditures	(11,825,239)	(5,567,497)	2,096,468	7,663,965
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	4,778,687	4,778,687	-
Net other financing sources (uses)	-	4,778,687	4,778,687	-
Net change in fund balance	\$ (11,825,239)	\$ (788,810)	6,875,155	\$ 7,663,965
Fund balance at beginning of year			29,297,629	
Fund balance at end of year			\$ 36,172,784	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 GRANTS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 3,400,000	\$ 6,925,556	\$ 234,516	\$ 6,697,337
Miscellaneous	-	-	16,447	16,447
Investment income	-	19,002	2,094	(16,908)
Total revenues	3,400,000	6,944,558	253,057	6,696,876
<u>EXPENDITURES</u>				
General government	3,300,000	15,947	-	(15,947)
Public safety	100,000	234,422	237,572	3,150
Total expenditures	3,400,000	250,369	237,572	(12,797)
Excess (deficiency) of revenues over (under) expenditures	-	6,694,189	15,485	6,709,673
Net change in fund balance	\$ -	\$ 6,694,189	15,485	\$ 6,709,673
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 15,485	

## **OTHER GOVERNMENTAL FUNDS**

### **Municipal Building Authority (MBA) Fund**

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The MBA fund is used to account for the activities of the Municipal Building Authority. The Authority is an entity established to finance and construct municipal buildings that are then leased to the City.

### **Class C Road Fund**

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The Class C Road Fund is used to account for funds which have been allocated to City by the State of Utah for the maintenance and construction of Class C roads. The source of the funds is a tax imposed on the sale of gasoline as imposed by the State. The allocation is based on lane miles within the City.

### **Fairway Estates Fund**

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The Fairway Estates Fund is used to account for the activities of the Fairway Estates Special Service Recreation District (District). The District was established as a separate taxing entity with the purpose of maintaining the streetscapes within its boundaries.

### **Highlands Special Improvement District Fund**

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The Highlands Special Improvement District Fund (Highlands SID) is used to account for the activities of the Highlands SID. The revenue for this fund is generated by a fee charged to the properties within its area which in turn provides for landscaping and streetscaping maintenance within its boundaries.

### **KraftMaid Special Improvement District Fund**

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The KraftMaid Special Improvement District Fund (KraftMaid SID) is used to account for the activities of the KraftMaid SID. The revenue for this fund is generated by developer contributions in the form of impact fees to reimburse the City for infrastructure improvements secured by a bond.

### **Community Development Block Grant Fund**

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The Community Development Block Grant Fund (CDBG) is used to account for the activities of the federally funded community development block grant.

### **Police Impact Fee Fund**

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The Police Impact Fee Fund is used to account for the activities of the police impact fees collected to provide public safety facilities needed to support growth. The fund is currently dedicated to for debt service on a police substation located in a fire station.

### **Fire Impact Fee Fund**

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The Fire Impact Fee Fund is used to account for the activities of the fire impact fees collected to provide public safety facilities needed to support growth. The fund is currently dedicated to for debt service on a fire station.

**COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS**

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,707,133	\$ 2,601,575	\$ 54,466	\$ 4,250	\$ 660,421
Accounts receivable (net of allowance)	-	-	-	7,642	-
Due from other governments	-	961,500	10,234	-	-
Due from other funds	-	-	-	-	182,008
Restricted cash	1,794	-	-	-	-
Total assets	1,708,927	3,563,075	64,700	11,892	842,429
<b>LIABILITIES</b>					
Accounts payable	-	183,641	826	11,775	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	183,641	826	11,775	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	-	-	10,134	-	-
Total deferred Inflows of resources	-	-	10,134	-	-
<b>FUND BALANCE</b>					
Restricted	1,794	-	-	-	-
Assigned	1,707,133	3,379,434	53,740	117	842,429
Unassigned	-	-	-	-	-
Total fund balances	1,708,927	3,379,434	53,740	117	842,429
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,708,927	\$ 3,563,075	\$ 64,700	\$ 11,892	\$ 842,429

(continued on next page)

**COMBINING BALANCE SHEET (continued)**  
**NON-MAJOR GOVERNMENTAL FUNDS**

	Community Development Block Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 28,895	\$ -	\$ 5,056,740
Accounts receivable (net of allowance)	651,119	-	-	658,761
Due from other governments	343,837	-	-	1,315,571
Due from other funds	-	-	-	182,008
Restricted cash	124,370	-	-	126,164
Total assets	<u>1,119,326</u>	<u>28,895</u>	<u>-</u>	<u>7,339,244</u>
<u>LIABILITIES</u>				
Accounts payable	247,548	-	-	443,790
Accrued liabilities	689	-	-	689
Due to other funds	91,943	-	90,065	182,008
Total liabilities	<u>340,180</u>	<u>-</u>	<u>90,065</u>	<u>626,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property taxes	-	-	-	10,134
Total deferred Inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,134</u>
<u>FUND BALANCE</u>				
Restricted	651,119	28,895	-	681,808
Assigned	128,027	-	-	6,110,880
Unassigned	-	-	(90,065)	(90,065)
Total fund balances	<u>779,146</u>	<u>28,895</u>	<u>(90,065)</u>	<u>6,702,623</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,119,326</u>	<u>\$ 28,895</u>	<u>\$ -</u>	<u>\$ 7,339,244</u>



**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS**

	Municipal Building Authority Fund	Class C Road Fund	Fairway Estates	Highlands Special Improvement District Fund	Kraftmaid Special Improvement District Fund
<b>REVENUES</b>					
Property tax	\$ -	\$ -	\$ 11,233	\$ -	\$ -
Impact fees	-	-	-	-	-
Intergovernmental	-	4,326,529	-	-	-
Charges for services	1,851,551	-	-	96,945	-
Investment income	9,580	7,028	263	-	4,037
Total revenues	1,861,131	4,333,557	11,496	96,945	4,037
<b>EXPENDITURES</b>					
Community development	-	-	-	-	-
Highways and public improvements	352,435	2,269,792	12,269	140,747	-
Debt service:					
Principal	775,000	-	-	-	-
Interest and fiscal charges	1,077,350	-	-	81	-
Total expenditures	2,204,785	2,269,792	12,269	140,828	-
Excess (deficiency) of revenues over (under) expenditures	(343,654)	2,063,765	(773)	(43,883)	4,037
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	44,000	-
Total other financing sources (uses)	-	-	-	44,000	-
Net change of fund balance	(343,654)	2,063,765	(773)	117	4,037
Fund balance at beginning of year	2,052,581	1,315,669	54,513	-	838,392
Fund balance at end of year	\$ 1,708,927	\$ 3,379,434	\$ 53,740	\$ 117	\$ 842,429

(continued on next page)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (continued)  
 NON-MAJOR GOVERNMENTAL FUNDS**

	Community Development Block Grant Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Non-Major Governmental Funds
<b>REVENUES</b>				
Property tax	\$ -	\$ -	\$ -	\$ 11,233
Impact fees	-	140,945	154,511	295,456
Intergovernmental	394,948	-	-	4,721,477
Charges for services	-	-	-	1,948,496
Investment income	-	168	-	21,076
<b>Total revenues</b>	<b>394,948</b>	<b>141,113</b>	<b>154,511</b>	<b>6,997,738</b>
<b>EXPENDITURES</b>				
Community development	462,979	-	-	462,979
Highways and public improvements	-	-	-	2,775,243
Debt service:				
Principal	-	138,000	207,000	1,120,000
Interest and fiscal charges	-	12,018	18,229	1,107,678
<b>Total expenditures</b>	<b>462,979</b>	<b>150,018</b>	<b>225,229</b>	<b>5,465,900</b>
Excess (deficiency) of revenues over (under) expenditures	(68,031)	(8,905)	(70,718)	1,531,838
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	44,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,000</b>
Net change of fund balance	(68,031)	(8,905)	(70,718)	1,575,838
Fund balance at beginning of year	847,177	37,800	(19,347)	5,126,785
Fund balance at end of year	<b>\$ 779,146</b>	<b>\$ 28,895</b>	<b>\$ (90,065)</b>	<b>\$ 6,702,623</b>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 MUNICIPAL BUILDING AUTHORITY FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 1,851,550	\$ 1,851,550	\$ 1,851,551	\$ 1
Investment income	-	-	9,580	9,580
Total revenues	1,851,550	1,851,550	1,861,131	9,581
<u>EXPENDITURES</u>				
Highways and public improvements			352,435	352,435
Debt service				
Principal	775,000	775,000	775,000	-
Interest and fiscal charges	1,081,550	1,081,550	1,077,350	(4,200)
Total expenditures	1,856,550	1,856,550	2,204,785	348,235
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(5,000)	(343,654)	(338,654)
Net change in fund balance	\$ (5,000)	\$ (5,000)	(343,654)	\$ (338,654)
Fund balance at beginning of year			2,052,581	
Fund balance at end of year			\$ 1,708,927	

Highways and public improvements exceeded the budget by \$352,435 as a final settlement with the contractor of the public works building. This payment was omitted from a budget amendment due to clerical error.



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET TO ACTUAL**  
**CLASS C ROADS FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 4,000,000	\$ 4,625,000	\$ 4,326,529	\$ (298,471)
Investment income	-	5,000	7,028	2,028
Total revenues	4,000,000	4,630,000	4,333,557	(296,443)
<u>EXPENDITURES</u>				
Highways and public improvements	4,706,009	4,664,000	2,269,792	(2,394,208)
Total expenditures	4,706,009	4,664,000	2,269,792	(2,394,208)
Excess (deficiency) of revenues over (under) expenditures	(706,009)	(34,000)	2,063,765	2,097,765
Net change in fund balance	\$ (706,009)	\$ (34,000)	2,063,765	\$ 2,097,765
Fund balance at beginning of year			1,315,669	
Fund balance at end of year			\$ 3,379,434	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 FAIRWAY ESTATES SPECIAL RECREATION DISTRICT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Property tax	\$ 10,841	\$ 10,841	\$ 11,233	\$ 392
Investment income	-	-	263	263
Total revenues	<u>10,841</u>	<u>10,841</u>	<u>11,496</u>	<u>655</u>
<u>EXPENDITURES</u>				
Highways and public improvements	12,500	12,500	12,269	(231)
Total expenditures	<u>12,500</u>	<u>12,500</u>	<u>12,269</u>	<u>(231)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,659)	(1,659)	(773)	886
Net change in fund balance	<u>\$ (1,659)</u>	<u>\$ (1,659)</u>	<u>(773)</u>	<u>\$ 886</u>
Fund balance at beginning of year			<u>54,513</u>	
Fund balance at end of year			<u>\$ 53,740</u>	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 HIGHLAND SPECIAL IMPROVEMENT DISTRICT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 170,259	\$ 96,800	\$ 96,945	\$ 145
Total revenues	170,259	96,800	96,945	145
<u>EXPENDITURES</u>				
Parks, recreation, and culture	140,350	161,050	140,747	(20,303)
Interest and fiscal charges		100	81	(19)
Total expenditures	140,350	161,150	140,828	(20,322)
Excess (deficiency) of revenues over (under) expenditures	29,909	(64,350)	(43,883)	20,467
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	65,000	44,000	(21,000)
Net other financing sources (uses)	-	65,000	44,000	(21,000)
Net change in fund balance	\$ 29,909	\$ 650	117	\$ (533)
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 117	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 KRAFTMAID SPECIAL IMPROVEMENT DISTRICT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 4,037	\$ 4,037
Total revenues	-	-	4,037	4,037
Excess (deficiency) of revenues over (under) expenditures	-	-	4,037	4,037
Net change in fund balance	\$ -	\$ -	4,037	\$ 4,037
Fund balance at beginning of year			838,392	
Fund balance at end of year			\$ 842,429	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 1,394,353	\$ 1,359,761	\$ 394,948	\$ (964,813)
Total revenues	1,394,353	1,359,761	394,948	(964,813)
<u>EXPENDITURES</u>				
Community development	999,968	1,102,641	462,979	(639,662)
Highways and public improvements	394,385	394,385	-	(394,385)
Total expenditures	1,394,353	1,497,026	462,979	(1,034,047)
Excess (deficiency) of revenues over (under) expenditures	-	(137,265)	(68,031)	69,234
Net change in fund balance	\$ -	\$ (137,265)	(68,031)	\$ 69,234
Fund balance at beginning of year			847,177	
Fund balance at end of year			\$ 779,146	





**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 POLICE IMPACT FEE FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>				
Impact Fees	\$ 70,000	\$ 145,000	\$ 140,945	\$ (4,055)
Investment income	-	-	168	168
Total revenues	70,000	145,000	141,113	(3,887)
<b>EXPENDITURES</b>				
Debt service				
Principal	93,150	138,000	138,000	-
Interest and fiscal charges	8,113	12,019	12,018	(1)
Total expenditures	101,263	150,019	150,018	(1)
Excess (deficiency) of revenues over (under) expenditures	(31,263)	(5,019)	(8,905)	(3,886)
Net change in fund balance	\$ (31,263)	\$ (5,019)	(8,905)	\$ (3,886)
Fund balance at beginning of year			37,800	
Fund balance at end of year			\$ 28,895	



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET TO ACTUAL  
 FIRE IMPACT FEE FUND**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact Fees	\$ 40,000	\$ 160,000	\$ 154,511	\$ (5,489)
Total revenues	40,000	160,000	154,511	(5,489)
<u>EXPENDITURES</u>				
Debt service				
Principal	134,550	207,000	207,000	-
Interest and fiscal charges	11,719	18,028	18,229	201
Total expenditures	146,269	225,028	225,229	201
Excess (deficiency) of revenues over (under) expenditures	(106,269)	(65,028)	(70,718)	(5,690)
Net change in fund balance	\$ (106,269)	\$ (65,028)	(70,718)	\$ (5,690)
Fund balance at beginning of year			(19,347)	
Fund balance at end of year			\$ (90,065)	

## **INTERNAL SERVICE FUNDS**

### **Fleet Management Fund**

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The Fleet Management Fund is used to account for the activities of the acquisition, replacement, and maintenance of the City's vehicles and equipment. Charges for service are assigned to the other funds based on the number of vehicles and/or equipment assigned to the department, and the purchasing cost is charged to the department or fund using the vehicle or equipment over its useful life.

### **IT Replacement Fund**

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The IT Management Fund is used to account for the activities of the City's information technologies system and services.

### **Risk Management Fund**

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The Retained Risk Fund is used to account for the activities of the City's self-insurance and risk management programs.

**STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 3,417,588	\$ 1,829,639	\$ 1,459,688	\$ 6,706,915
Accounts receivable (net of allowance)	114,864	-	-	114,864
Prepaid items	-	40,069	-	40,069
Restricted cash	29,995	-	-	29,995
Total current assets	3,562,447	1,869,708	1,459,688	6,891,843
Noncurrent assets				
Net pension asset	100,167	25,334	18,573	144,074
Capital assets				
Construction in progress	393,444	-	-	393,444
Equipment	23,591,598	1,571,324	-	25,162,922
Accumulated depreciation and amortization	(13,995,033)	(1,559,196)	-	(15,554,229)
Total noncurrent assets	10,090,176	37,462	18,573	10,146,211
Total assets	13,652,623	1,907,170	1,478,261	17,038,054
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension costs	117,992	29,842	21,879	169,713
Total deferred outflows of resources	117,992	29,842	21,879	169,713
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	136,361	69,592	536	206,489
Accrued liabilities	25,749	34,163	425,000	484,912
Bonds and leases payable	1,009,922	-	-	1,009,922
Compensated absences	26,182	55,533	-	81,715
Liabilities from restricted assets:				
Interest payable	32,324	-	-	32,324
Total current liabilities	1,230,538	159,288	425,536	1,815,362
Noncurrent liabilities				
Compensated absences	36,796	77,240	-	114,036
Net pension payable	52,249	13,215	9,688	75,152
Bonds and leases payable	1,485,396	-	-	1,485,396
Total noncurrent liabilities	1,574,441	90,455	9,688	1,674,584
Total liabilities	2,804,979	249,743	435,224	3,489,946
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension gains	177,015	44,770	32,823	254,608
Total deferred Inflows of resources	177,015	44,770	32,823	254,608
<b>NET POSITION</b>				
Net investment in capital assets	7,494,691	12,128	-	7,506,819
Restricted				
Debt service	29,995	-	-	29,995
Unrestricted	3,263,935	1,630,371	1,032,093	5,926,399
Total net position	\$ 10,788,621	\$ 1,642,499	\$ 1,032,093	\$ 13,463,213

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS**

	Fleet Management Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
<u>OPERATING REVENUES</u>				
Charges for services	\$ 5,665,706	\$ 2,477,910	\$ 1,916,953	\$ 10,060,569
Other	104,363	-	-	104,363
Total operating revenues	<u>5,770,069</u>	<u>2,477,910</u>	<u>1,916,953</u>	<u>10,164,932</u>
<u>OPERATING EXPENSES</u>				
Wages and benefits	695,563	972,335	123,372	1,791,270
Operations and maintenance	2,766,687	1,290,101	1,607,830	5,664,618
Depreciation and amortization	2,036,823	61,011	-	2,097,834
Total operating expenses	<u>5,499,073</u>	<u>2,323,447</u>	<u>1,731,202</u>	<u>9,553,722</u>
Operating income (loss)	<u>270,996</u>	<u>154,463</u>	<u>185,751</u>	<u>611,210</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Investment income	22,720	8,274	3,404	34,398
Interest and fiscal charges	(71,753)	-	-	(71,753)
Gain/(loss) on disposal of assets	284,905	-	-	284,905
Total nonoperating revenues (expenses)	<u>235,872</u>	<u>8,274</u>	<u>3,404</u>	<u>247,550</u>
Income (loss) before contributions and transfers	<u>506,868</u>	<u>162,737</u>	<u>189,155</u>	<u>858,760</u>
Change in net position	<u>506,868</u>	<u>162,737</u>	<u>189,155</u>	<u>858,760</u>
Total net position, beginning	7,221,400	1,479,762	842,938	9,544,100
Prior period adjustment	3,060,353	-	-	3,060,353
Total net position, ending	<u>\$10,788,621</u>	<u>\$ 1,642,499</u>	<u>\$ 1,032,093</u>	<u>\$ 13,463,213</u>

**STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS**

	Fleet Replacement Fund	IT Replacement Fund	Risk Management Fund	Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers and users	\$ 5,655,205	\$ 2,477,910	\$ 1,939,953	\$ 10,073,068
Payments to suppliers of goods and services	(3,004,842)	(1,245,422)	(1,260,465)	(5,510,729)
Payments to employees for services	(742,443)	(836,753)	(146,333)	(1,725,529)
Net cash provided (used) by operating activities	1,907,920	395,735	533,155	2,836,810
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of capital assets	284,905	-	-	284,905
Purchases of capital assets	(2,809,802)	-	-	(2,809,802)
Principal paid on debt	(1,051,363)	-	-	(1,051,363)
Interest and fiscal charges paid on capital debt	(84,457)	-	-	(84,457)
Net cash provided (used) by capital and related financing activities	(3,660,717)	-	-	(3,660,717)
<b>Cash flows from investing activities</b>				
Investment income	22,720	8,274	3,404	34,398
Net cash provided by investing activities	22,720	8,274	3,404	34,398
Net increase (decrease) in cash and cash equivalents	(1,730,077)	404,009	536,559	(789,509)
Cash and cash equivalents - beginning of year	5,177,660	1,425,630	923,129	7,526,419
Cash and cash equivalents - end of year	\$ 3,447,583	\$ 1,829,639	\$ 1,459,688	\$ 6,736,910
<b>Reconciliation of operating income to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ 270,996	\$ 154,463	\$ 610,751	\$ 1,036,210
Adjustments to reconcile operating income to net cash provided by:				
Depreciation and amortization	2,036,823	61,010	-	2,097,833
(Increase) decrease in receivables	(114,864)	-	23,000	(91,864)
(Increase) decrease in prepaids	-	(40,069)	-	(40,069)
(Increase) decrease in payables	(243,087)	50,586	(73,224)	(265,725)
(Increase) decrease in liabilities	(41,948)	169,745	(27,372)	100,425
Net cash provided by operating activities	\$ 1,907,920	\$ 395,735	\$ 533,155	\$ 2,836,810

## **NON-MAJOR PROPRIETARY FUNDS**

### Solid Waste Fund

The Solid Waste Fund is used to account for the activities of the City's garbage, recycling, and green waste collection services.

### Streetlight Fund

The Streetlight Fund is used to account for the activities of the City's streetlight system. Revenue is generated by a streetlight fee billed as a monthly utility.

**STATEMENT OF NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	\$ 339,955	\$1,064,847	\$ 1,404,802
Accounts receivable (net of allowance)	673,138	35,809	708,947
Total current assets	<u>1,013,093</u>	<u>1,100,656</u>	<u>2,113,749</u>
Noncurrent assets			
Net pension asset	21,941	-	21,941
Capital assets			
Equipment	1,610,410	-	1,610,410
Accumulated depreciation and amortization	(1,610,410)	-	(1,610,410)
Total noncurrent assets	<u>6,865,141</u>	<u>-</u>	<u>6,865,141</u>
Total assets	<u>7,878,234</u>	<u>1,100,656</u>	<u>8,978,890</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred pension costs	25,845	-	25,845
Total deferred outflows of resources	<u>25,845</u>	<u>-</u>	<u>25,845</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	393,525	37,315	430,840
Accrued liabilities	4,696	-	4,696
Compensated absences	7,620	-	7,620
Total current liabilities	<u>405,991</u>	<u>37,315</u>	<u>443,306</u>
Noncurrent liabilities			
Compensated absences	6,800	-	6,800
Net pension payable	11,445	-	11,445
Total noncurrent liabilities	<u>18,245</u>	<u>-</u>	<u>18,245</u>
Total liabilities	<u>424,236</u>	<u>37,315</u>	<u>461,551</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred pension gains	38,774	-	38,774
Total deferred Inflows of resources	<u>38,774</u>	<u>-</u>	<u>38,774</u>
<u>NET POSITION</u>			
Net investment in capital assets	6,843,200	-	6,843,200
Unrestricted	597,869	1,063,341	1,661,210
Total net position	<u>\$7,441,069</u>	<u>\$1,063,341</u>	<u>\$ 8,504,410</u>



**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
<u>OPERATING REVENUES</u>			
Charges for services	\$ 5,834,646	\$ 773,126	\$ 6,607,772
Total operating revenues	<u>5,834,646</u>	<u>773,126</u>	<u>6,607,772</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	214,481	-	214,481
Administrative fees	442,135	-	442,135
Operations and maintenance	4,913,296	1,060,406	5,973,702
Total operating expenses	<u>5,569,912</u>	<u>1,060,406</u>	<u>6,630,318</u>
Operating income (loss)	<u>264,734</u>	<u>(287,280)</u>	<u>(22,546)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Investment income	1,852	6,115	7,967
Equity in income of joint venture	606,796	-	606,796
Total nonoperating revenues (expenses)	<u>608,648</u>	<u>6,115</u>	<u>614,763</u>
Income (loss) before contributions and transfers	873,382	(281,165)	592,217
Transfers out	(289,290)	(37,486)	(326,776)
Change in net position	<u>584,092</u>	<u>(318,651)</u>	<u>265,441</u>
Total net position, beginning	<u>6,856,977</u>	<u>1,381,992</u>	<u>8,238,969</u>
Total net position, ending	<u>\$ 7,441,069</u>	<u>\$ 1,063,341</u>	<u>\$ 8,504,410</u>

**STATEMENT OF CASH FLOWS  
 NON-MAJOR PROPRIETARY FUNDS**

	Solid Waste Fund	Streetlight Fund	Non-Major Proprietary Funds
Cash flows from operating activities			
Receipts from customers and users	\$ 5,794,430	\$ 772,746	\$ 6,567,176
Payments to suppliers of goods and services	(4,932,051)	(1,067,187)	(5,999,238)
Payments to employees for services	(213,704)	-	(213,704)
Payment for interfund services	(442,135)	-	(442,135)
Net cash provided (used) by operating activities	<u>206,540</u>	<u>(294,441)</u>	<u>(87,901)</u>
Cash flows from noncapital financing activities			
Transfers to other funds	(289,290)	(37,486)	(326,776)
Net cash provided (used) by noncapital financing activities	<u>(289,290)</u>	<u>(37,486)</u>	<u>(326,776)</u>
Cash flows from investing activities			
Investment income	1,852	6,115	7,967
Net cash provided by investing activities	<u>1,852</u>	<u>6,115</u>	<u>7,967</u>
Net increase (decrease) in cash and cash equivalents	(80,898)	(325,812)	(406,710)
Cash and cash equivalents - beginning of year	420,853	1,390,659	1,811,512
Cash and cash equivalents - end of year	<u>\$ 339,955</u>	<u>\$ 1,064,847</u>	<u>\$ 1,404,802</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ 264,734	\$ (287,280)	\$ (22,546)
Adjustments to reconcile operating income to net cash provided by:			
(Increase) decrease in receivables	(40,216)	(380)	(40,596)
(Increase) decrease in payables	(18,089)	(6,781)	(24,870)
(Increase) decrease in liabilities	111	-	111
Net cash provided by operating activities	<u>\$ 206,540</u>	<u>\$ (294,441)</u>	<u>\$ (87,901)</u>

**STATISTICAL SECTION**



**For Fiscal Year Ended June 30, 2021**



*West Jordan Public Works assists Salt Lake City in storm clean-up – September 2020*

This section presents detailed information as a context for better understanding the government's overall financial health in conjunction with the financial statements, notes, and required supplementary information.

#### 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.

#### Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources – sales tax and property tax.

#### Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### 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.



**SCHEDULE 1 - NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

*Accrual basis of accounting*

(Amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 255,044	\$ 252,859	\$ 260,066	\$ 259,058	\$ 269,724	\$ 267,165	\$ 289,376	\$ 294,646	\$ 311,651	\$ 328,914
Restricted	15,204	15,710	19,888	20,911	18,571	43,553	30,655	21,247	22,526	26,193
Unrestricted	19,213	25,928	28,212	22,568	15,757	14,999	10,699	25,973	26,612	46,710
<b>Total governmental net position</b>	<b>289,461</b>	<b>294,497</b>	<b>308,166</b>	<b>302,537</b>	<b>304,052</b>	<b>325,717</b>	<b>330,730</b>	<b>341,866</b>	<b>360,789</b>	<b>401,817</b>
<b>Business-type activities</b>										
Net investment in capital assets	146,127	146,813	150,965	159,663	168,604	174,147	193,305	204,278	217,291	227,173
Restricted	3,521	3,975	3,860	1,073	5,490	3,779	9,919	7,441	7,853	5,335
Unrestricted	23,746	27,605	29,816	31,167	23,932	26,113	10,621	14,519	21,205	30,937
<b>Total business-type net position</b>	<b>173,394</b>	<b>178,393</b>	<b>184,641</b>	<b>191,903</b>	<b>198,026</b>	<b>204,039</b>	<b>213,845</b>	<b>226,238</b>	<b>246,349</b>	<b>263,445</b>
<b>Primary government</b>										
Net investment in capital assets	401,171	399,672	411,031	418,721	438,328	441,312	482,681	498,924	528,942	556,087
Restricted	18,725	19,685	23,748	21,984	24,061	47,332	40,574	28,688	30,379	31,528
Unrestricted	42,959	53,533	58,028	53,735	39,689	41,112	21,320	40,492	47,817	77,647
<b>Total primary government net position</b>	<b>\$ 462,855</b>	<b>\$ 472,890</b>	<b>\$ 492,807</b>	<b>\$ 494,440</b>	<b>\$ 502,078</b>	<b>\$ 529,756</b>	<b>\$ 544,575</b>	<b>\$ 568,104</b>	<b>\$ 607,138</b>	<b>\$ 665,262</b>

**SCHEDULE 2 - CHANGE IN NET POSITION**

**Last Ten Fiscal Years**

*Accrual basis of accounting*

(Amounts expressed in millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 7.39	\$ 8.18	\$ 10.69	\$ 7.93	\$ 8.59	\$ 8.22	\$ 8.44	\$ 9.87	\$ 10.33	\$ 8.78
Community development	3.08	2.50	3.83	2.96	2.89	3.57	4.16	4.38	12.55	4.63
Public safety	23.19	22.95	24.52	24.02	28.61	30.17	30.16	33.47	33.84	31.21
Highways and public improvements	11.66	12.87	14.18	14.00	16.19	13.78	22.29	17.79	10.85	17.44
Parks, recreation, and culture	3.37	3.57	4.14	4.06	4.24	5.56	5.54	6.35	5.69	4.86
Debt service - interest and fiscal charges	1.09	0.86	0.80	0.63	0.66	1.35	1.57	1.01	1.27	1.13
<b>Total governmental expenses</b>	<b>49.78</b>	<b>50.93</b>	<b>58.16</b>	<b>53.60</b>	<b>61.18</b>	<b>62.65</b>	<b>72.16</b>	<b>72.87</b>	<b>74.53</b>	<b>68.05</b>
<b>Business-type activities</b>										
Water	13.50	13.70	15.13	16.11	17.44	19.96	19.45	21.24	22.15	23.07
Sewer	5.53	6.60	7.61	8.00	8.02	8.05	9.10	9.69	11.32	10.07
Solid waste	3.82	4.19	3.64	4.07	4.14	4.44	4.29	4.52	4.87	4.95
Storm water	1.40	1.74	1.98	2.01	2.74	2.73	3.30	4.03	3.95	4.91
Streetlight	-	-	-	-	-	0.59	0.32	0.29	0.43	1.06
<b>Total business-type activities expenses</b>	<b>24.25</b>	<b>26.23</b>	<b>28.36</b>	<b>30.19</b>	<b>32.34</b>	<b>35.77</b>	<b>36.46</b>	<b>39.77</b>	<b>42.72</b>	<b>44.06</b>
<b>Total primary government expenses</b>	<b>\$ 74.03</b>	<b>\$ 77.16</b>	<b>\$ 86.52</b>	<b>\$ 83.79</b>	<b>\$ 93.52</b>	<b>\$ 98.42</b>	<b>\$ 108.62</b>	<b>\$ 112.64</b>	<b>\$ 117.25</b>	<b>\$ 112.11</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
<b>Charges for services</b>										
General government	\$ 3.02	\$ 2.31	\$ 5.61	\$ 2.12	\$ 2.45	\$ 2.17	\$ 2.01	\$ 3.01	\$ 3.02	\$ 3.18
Community development	1.89	2.28	2.33	2.34	2.73	3.50	3.45	3.60	5.33	4.98
Public safety	2.37	2.45	2.27	2.47	2.95	2.77	3.30	2.53	2.44	2.61
Highways and public improvements	1.83	1.49	1.26	1.26	1.08	0.85	0.57	1.45	2.92	2.10
Parks, recreation, and culture	0.43	0.24	0.26	0.26	0.24	0.26	0.32	2.02	2.52	2.23
Operating grants and contributions	3.68	3.78	3.70	3.99	4.23	4.47	4.56	6.16	9.20	11.71
Capital grants & contributions	2.91	2.34	13.96	3.11	5.18	24.00	12.32	13.75	11.83	16.92
<b>Total governmental program revenues</b>	<b>16.13</b>	<b>14.89</b>	<b>29.39</b>	<b>15.55</b>	<b>18.86</b>	<b>38.02</b>	<b>26.53</b>	<b>32.52</b>	<b>37.26</b>	<b>43.73</b>
<b>Business-type activities</b>										
<b>Charges for services</b>										
Water	14.07	15.12	16.48	15.78	16.08	17.26	18.85	23.55	30.01	32.11
Sewer	7.79	7.64	8.35	8.49	8.12	8.81	9.34	10.85	12.83	13.97
Solid waste	4.15	4.24	4.03	4.14	4.03	4.23	4.50	4.93	5.41	5.84
Storm water	0.81	1.54	1.87	1.78	2.17	2.97	3.14	4.98	7.52	6.36
Streetlight	-	-	-	-	-	0.73	0.71	0.72	0.75	0.77
Operating grants and contributions	-	-	-	3.19	2.35	0.18	0.06	-	-	-
Capital grants & contributions	3.87	4.63	3.84	2.62	4.03	7.12	9.24	6.56	5.87	4.43
<b>Total business-type program revenues</b>	<b>30.69</b>	<b>33.17</b>	<b>34.57</b>	<b>36.00</b>	<b>36.78</b>	<b>41.30</b>	<b>45.84</b>	<b>51.59</b>	<b>62.39</b>	<b>63.48</b>
<b>Total primary government program revenues</b>	<b>\$ 46.82</b>	<b>\$ 48.06</b>	<b>\$ 63.96</b>	<b>\$ 51.55</b>	<b>\$ 55.64</b>	<b>\$ 79.32</b>	<b>\$ 72.37</b>	<b>\$ 84.11</b>	<b>\$ 99.65</b>	<b>\$ 107.21</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (33.65)	\$ (36.04)	\$ (28.77)	\$ (38.05)	\$ (42.32)	\$ (24.63)	\$ (45.63)	\$ (40.35)	\$ (37.27)	\$ (24.32)
Business-type activities	6.44	6.94	6.21	5.81	4.44	5.53	9.38	11.82	19.67	19.42
<b>Total primary government net expense</b>	<b>\$ (27.21)</b>	<b>\$ (29.10)</b>	<b>\$ (22.56)</b>	<b>\$ (32.24)</b>	<b>\$ (37.88)</b>	<b>\$ (19.10)</b>	<b>\$ (36.25)</b>	<b>\$ (28.53)</b>	<b>\$ (17.60)</b>	<b>\$ (4.90)</b>
<b>General revenues &amp; other changes in net position</b>										
<b>Governmental activities</b>										
<b>Taxes</b>										
Sales taxes	\$ 14.47	\$ 15.16	\$ 15.98	\$ 16.85	\$ 17.37	\$ 18.58	\$ 19.92	\$ 20.93	\$ 24.67	\$ 29.01
Property taxes	10.63	14.09	13.67	13.39	13.75	13.95	14.06	16.73	17.46	18.09
Tax increment	2.28	2.79	3.40	3.83	3.98	3.77	3.71	4.02	4.26	4.34
Franchise taxes	7.41	7.96	8.11	7.87	7.81	7.93	7.65	7.46	7.38	7.55
Investment income	0.18	0.20	0.21	0.20	0.30	0.52	0.82	1.45	1.01	0.34
Gain/(loss) on sale & disposal of assets	0.19	0.10	0.03	0.72	0.28	0.42	4.07	0.18	0.03	0.09
Miscellaneous	0.26	0.25	0.95	0.55	0.82	0.49	0.36	0.72	1.37	0.29
Transfers - net	(21.12)	0.93	0.08	(1.95)	0.05	(0.01)	0.05	-	-	2.47
<b>Total governmental activities</b>	<b>14.30</b>	<b>41.48</b>	<b>42.43</b>	<b>41.46</b>	<b>44.36</b>	<b>45.65</b>	<b>50.64</b>	<b>51.49</b>	<b>56.18</b>	<b>62.18</b>
<b>Business-type activities</b>										
Investment income	0.12	0.19	0.12	0.11	0.18	0.28	0.48	0.57	0.42	0.14
Gain/(loss) on sale & disposal of assets	0.39	0.14	-	-	-	-	-	-	0.01	-
Transfers - net	21.12	(0.93)	(0.08)	1.95	(0.05)	0.01	(0.05)	-	-	(2.47)
<b>Total business-type activities</b>	<b>21.63</b>	<b>(0.60)</b>	<b>0.04</b>	<b>2.06</b>	<b>0.13</b>	<b>0.29</b>	<b>0.43</b>	<b>0.57</b>	<b>0.43</b>	<b>(2.33)</b>
<b>Total primary government</b>	<b>\$ 35.93</b>	<b>\$ 40.88</b>	<b>\$ 42.47</b>	<b>\$ 43.52</b>	<b>\$ 44.49</b>	<b>\$ 45.94</b>	<b>\$ 51.07</b>	<b>\$ 52.06</b>	<b>\$ 56.61</b>	<b>\$ 59.85</b>
<b>Change in net position</b>										
Governmental activities	\$ (19.35)	\$ 5.44	\$ 13.66	\$ 3.41	\$ 2.04	\$ 21.02	\$ 5.01	\$ 11.14	\$ 18.91	\$ 37.86
Business-type activities	28.07	6.34	6.25	7.87	4.57	5.82	9.81	12.39	20.10	17.09
<b>Total primary government</b>	<b>\$ 8.72</b>	<b>\$ 11.78</b>	<b>\$ 19.91</b>	<b>\$ 11.28</b>	<b>\$ 6.61</b>	<b>\$ 26.84</b>	<b>\$ 14.82</b>	<b>\$ 23.53</b>	<b>\$ 39.01</b>	<b>\$ 54.95</b>

From FY2014 to FY2017 the state auditor required E911 fees passed to VECC to be recorded as an expense and revenue for Public Safety.

**SCHEDULE 3 - FUND BALANCE, GOVERNMENTAL FUNDS**

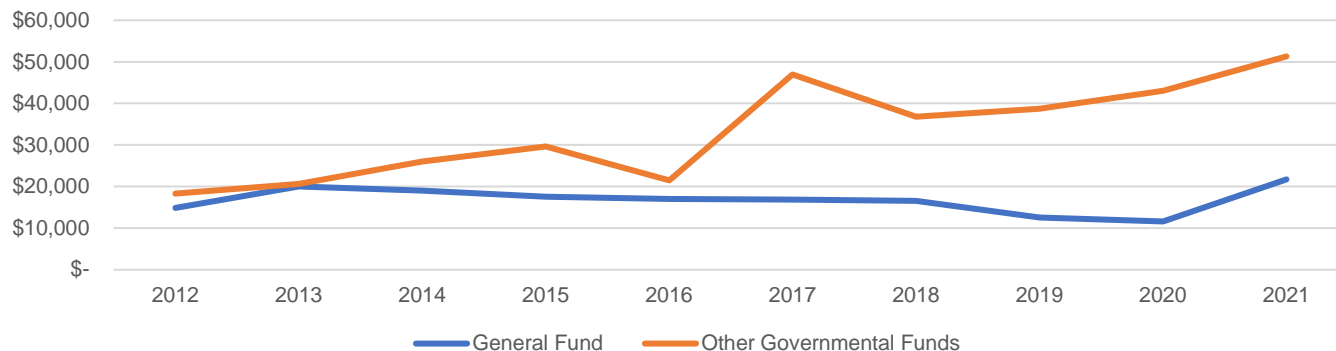
**Last Ten Fiscal Years**

*Accrual basis of accounting*

(Amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General fund</b>										
Nonspendable	\$ 6	\$ 90	\$ 161	\$ 164	\$ 167	\$ 57	\$ 109	\$ 482	\$ -	\$ 800
Restricted	6,003	6,308	5,794	5,233	6,502	6,042	4,951	-	6	-
Assigned	620	598	568	770	893	47	148	-	-	-
Unassigned	8,263	13,042	12,514	11,362	9,425	10,692	11,345	12,053	11,606	20,928
<b>Total General Fund</b>	<b>\$ 14,892</b>	<b>\$ 20,038</b>	<b>\$ 19,037</b>	<b>\$ 17,529</b>	<b>\$ 16,987</b>	<b>\$ 16,838</b>	<b>\$ 16,553</b>	<b>\$ 12,535</b>	<b>\$ 11,612</b>	<b>\$ 21,728</b>
<b>All other governmental funds</b>										
Nonspendable	80	-	-	-	-	689	653	644	-	1,078
Restricted	9,202	9,402	14,094	15,678	12,069	37,747	23,797	20,812	21,893	26,112
Committed	1,849	500	500	-	-	-	-	-	-	-
Assigned	7,184	10,897	11,501	13,970	9,406	10,069	18,386	22,115	21,118	24,211
Unassigned	-	(134)	(60)	-	-	(1,580)	(6,006)	(4,863)	-	(90)
<b>Total all other governmental funds</b>	<b>\$ 18,315</b>	<b>\$ 20,665</b>	<b>\$ 26,035</b>	<b>\$ 29,648</b>	<b>\$ 21,475</b>	<b>\$ 46,925</b>	<b>\$ 36,830</b>	<b>\$ 38,708</b>	<b>\$ 43,011</b>	<b>\$ 51,311</b>
<b>Total governmental fund balances</b>	<b>\$ 33,207</b>	<b>\$ 40,703</b>	<b>\$ 45,072</b>	<b>\$ 47,177</b>	<b>\$ 38,462</b>	<b>\$ 63,763</b>	<b>\$ 53,383</b>	<b>\$ 51,243</b>	<b>\$ 54,623</b>	<b>\$ 73,039</b>

*Fund Balances of Governmental Funds*  
 (amounts expressed in thousands)





**SCHEDULE 4 – CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**

*Accrual basis of accounting*

(Amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes & special assessments	\$ 34,786	\$ 40,014	\$ 41,156	\$ 41,931	\$ 43,077	\$ 44,279	\$ 45,354	\$ 49,145	\$ 53,770	\$ 58,988
Licenses & permits	1,805	1,743	2,135	2,393	2,762	2,797	2,888	2,725	4,159	4,032
Intergovernmental	6,288	5,043	4,920	4,904	5,590	6,089	5,818	9,445	11,275	14,139
Administrative fees	4,188	3,901	3,913	-	-	-	-	-	-	-
Charges for services	3,754	4,316	4,402	4,624	4,882	3,111	3,664	5,594	5,520	5,532
Fines & forfeitures	1,739	1,489	1,478	1,482	1,366	1,283	1,163	1,143	1,157	1,123
Impact fees	1,262	1,317	1,868	2,641	2,686	3,479	4,916	3,207	5,556	4,147
Miscellaneous	498	774	538	99	238	821	827	716	1,371	293
Investment Income	207	228	232	204	307	612	949	1,454	1,012	335
<b>Total revenues</b>	<b>54,527</b>	<b>58,825</b>	<b>60,642</b>	<b>58,278</b>	<b>60,908</b>	<b>62,471</b>	<b>65,579</b>	<b>73,429</b>	<b>83,820</b>	<b>88,589</b>
<b>Expenditures</b>										
General government	8,784	9,295	10,210	8,489	9,086	7,789	8,208	9,200	10,778	9,459
Community development	3,151	2,653	3,925	3,095	2,714	3,523	4,120	4,333	5,211	4,790
Public safety	21,779	23,345	24,143	26,155	28,397	28,671	29,753	31,652	32,771	32,367
Highways & public improvements	4,892	5,292	5,356	4,897	5,739	4,943	5,409	11,306	10,814	10,628
Parks, recreation, and culture	2,031	2,374	2,910	3,088	2,744	3,682	3,710	4,285	4,492	3,830
Capital outlay	6,074	5,883	16,094	12,237	16,646	12,620	40,473	10,246	13,829	4,600
Debt service										
Principal	7,790	2,451	10,851	2,657	3,218	2,738	2,424	3,230	5,600	5,605
Interest	1,059	813	792	550	584	1,080	1,579	1,494	1,471	1,359
<b>Total expenditures</b>	<b>55,560</b>	<b>52,106</b>	<b>74,281</b>	<b>61,168</b>	<b>69,128</b>	<b>65,046</b>	<b>95,676</b>	<b>75,746</b>	<b>84,966</b>	<b>72,638</b>
Excess of revenues over (under) expenditures	(1,033)	6,719	(13,639)	(2,890)	(8,220)	(2,575)	(30,097)	(2,317)	(1,146)	15,951
<b>Other financing sources (uses)</b>										
Issuance of debt	3,290	-	10,595	6,530	-	27,275	-	-	4,500	-
State funding	-	-	9,900	-	-	-	-	-	-	-
Capital lease financing	-	-	-	135	-	-	-	-	-	-
Developer contributions	-	-	683	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	165	5	-	19,718	177	26	-
Transfers in	5,191	6,206	11,684	11,587	3,032	4,784	11,549	8,402	7,797	7,290
Transfers out	(4,539)	(5,429)	(14,854)	(13,587)	(3,032)	(4,839)	(11,549)	(8,402)	(7,797)	(4,823)
<b>Total other financing sources (uses)</b>	<b>3,942</b>	<b>777</b>	<b>18,008</b>	<b>4,830</b>	<b>5</b>	<b>27,220</b>	<b>19,718</b>	<b>177</b>	<b>4,526</b>	<b>2,467</b>
<b>Net change in fund balances</b>	<b>\$ 2,909</b>	<b>\$ 7,496</b>	<b>\$ 4,369</b>	<b>\$ 1,940</b>	<b>\$ (8,215)</b>	<b>\$ 24,645</b>	<b>\$ (10,379)</b>	<b>\$ (2,140)</b>	<b>\$ 3,380</b>	<b>\$ 18,418</b>
Debt service as a % of noncapital expenditures	17.88%	7.06%	20.01%	6.55%	7.24%	7.28%	7.25%	7.21%	9.94%	10.24%

In FY2014 the Utah State Auditor started requiring that the governmental activities be reported without administrative fees.

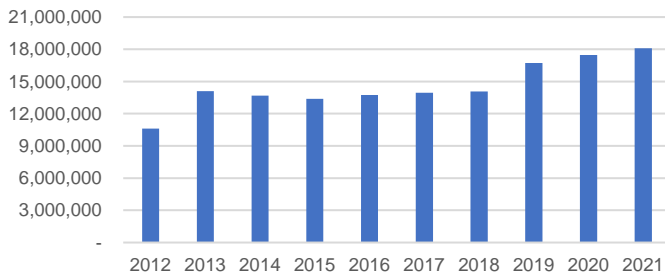
**SCHEDULE 5 - GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**

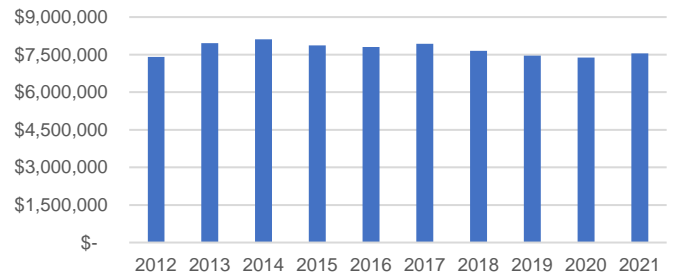
*Accrual basis of accounting*

Fiscal Year	Property Tax	Fees-in-lieu of property tax	Tax Increment	Sales Tax	Franchise Tax	Total
2012	\$ 9,811,737	\$ 814,006	\$ 2,282,629	\$ 14,467,761	\$ 7,409,499	\$ 34,785,632
2013	12,949,847	1,143,559	2,794,439	15,161,672	7,964,188	40,013,705
2014	12,668,980	999,394	3,398,395	15,976,144	8,112,830	41,155,743
2015	12,378,578	1,010,266	3,824,806	16,845,871	7,871,219	41,930,740
2016	12,735,526	1,012,652	4,136,309	17,371,482	7,805,966	43,061,935
2017	12,912,284	1,033,792	3,780,491	18,583,140	7,931,649	44,241,356
2018	13,008,717	1,048,335	3,722,099	19,922,143	7,651,704	45,352,998
2019	15,523,672	1,209,212	4,021,956	20,933,636	7,456,661	49,145,137
2020	16,324,555	1,133,977	4,262,252	24,666,933	7,382,471	53,770,188
2021	16,975,566	1,116,120	4,335,581	29,007,979	7,553,010	58,988,256

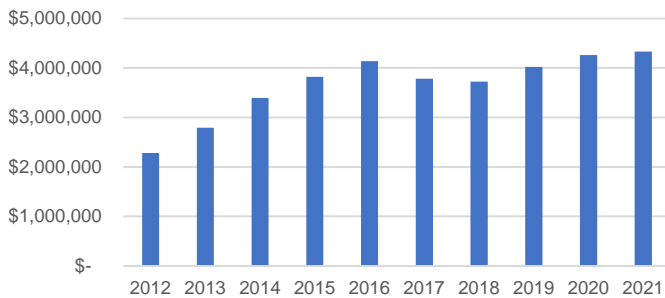
Property Tax & Fee-in-lieu



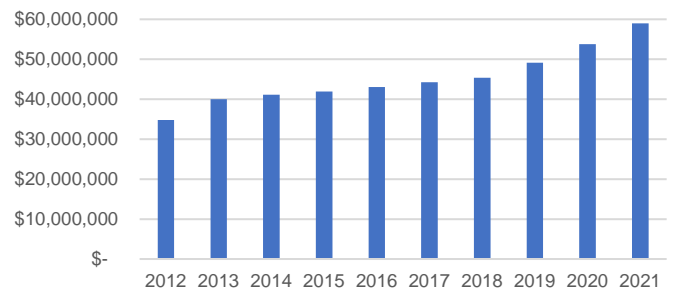
Franchise Tax



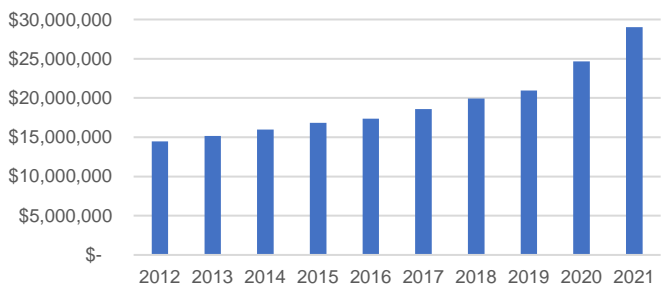
Tax Increment



Total Tax Revenues Governmental Activities



Sales Tax\*

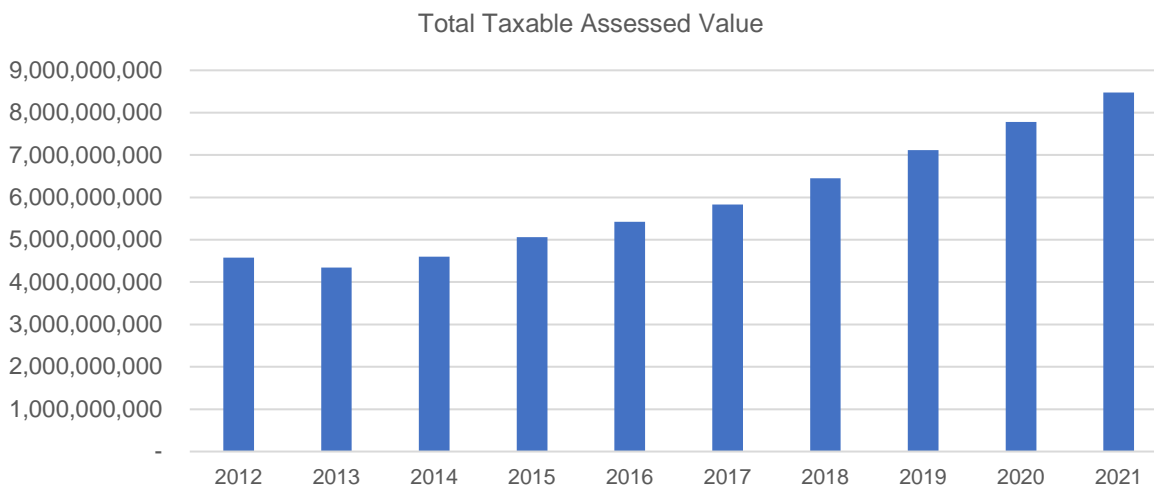


**SCHEDULE 6 - ASSESSED VALUE AND ESTIMATED ACCRUAL VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

Fiscal Year	Primary Residential Property	Other Property	Less: Adjustments	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2012	\$ 3,119,933,190	\$ 1,936,404,242	\$ (477,598,888)	\$ 4,578,738,544	0.002069	\$ 7,609,010,042	60.18%
2013	3,015,103,177	1,938,017,434	(607,104,064)	4,346,016,547	0.002674	7,420,023,210	58.57%
2014	2,844,974,289	1,965,996,252	(208,866,727)	4,602,103,814	0.002562	7,138,676,777	64.47%
2015	3,048,600,250	2,075,413,401	(62,854,709)	5,061,158,942	0.002368	7,618,322,946	66.43%
2016	3,361,903,767	2,191,420,614	(130,127,755)	5,423,196,626	0.002251	8,303,972,918	65.31%
2017	3,595,378,140	2,345,525,635	(109,931,962)	5,830,971,813	0.002139	8,882,576,799	65.65%
2018	3,857,227,834	2,451,495,056	142,873,074	6,451,595,964	0.001975	9,464,636,572	68.17%
2019	4,333,004,243	2,603,320,833	182,577,025	7,118,902,101	0.002132	10,481,510,366	67.92%
2020	4,815,118,214	2,825,449,487	141,921,180	7,782,488,881	0.001999	11,580,209,876	67.21%
2021	5,367,101,206	3,015,850,501	92,394,248	8,475,345,955	0.001899	12,774,216,330	66.35%

Note: All property in Salt Lake County is assessed annually. All real property is assessed at its fair market value with a 45% reduction in fair market value allowed for primary residential property. Tax rates are per \$1,000 of assessed value. Business personal property is self-assessed annually and is not included above.

Source: Utah State Tax Commission – Property Tax Division ([www.taxrates.utah.gov](http://www.taxrates.utah.gov))





**SCHEDULE 7 – PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes 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
2012	\$ 9,483,457	\$ 9,533,958	100.53%	\$ 253,939	\$ 9,787,897	103.21%
2013	11,631,147	12,321,900	105.94%	271,985	12,593,885	108.28%
2014	11,800,713	12,671,927	107.38%	261,390	12,933,317	109.60%
2015	11,993,512	12,919,871	107.72%	228,371	13,148,242	109.63%
2016	12,215,009	12,459,849	102.00%	199,222	12,659,071	103.64%
2017	12,480,066	12,635,099	101.24%	186,448	12,821,547	102.74%
2018	12,749,435	12,802,407	100.42%	154,039	12,956,446	101.62%
2019	15,185,183	15,311,700	100.83%	80,133	15,391,833	101.36%
2020	15,564,849	16,111,950	103.51%	148,535	16,260,485	104.47%
2021	16,102,690	16,692,565	103.66%	190,073	16,882,638	104.84%

Note: Property tax collections may be higher than the amount levied and budgeted due to new growth and the collection of personal property tax.

Source: Salt Lake County Treasurer

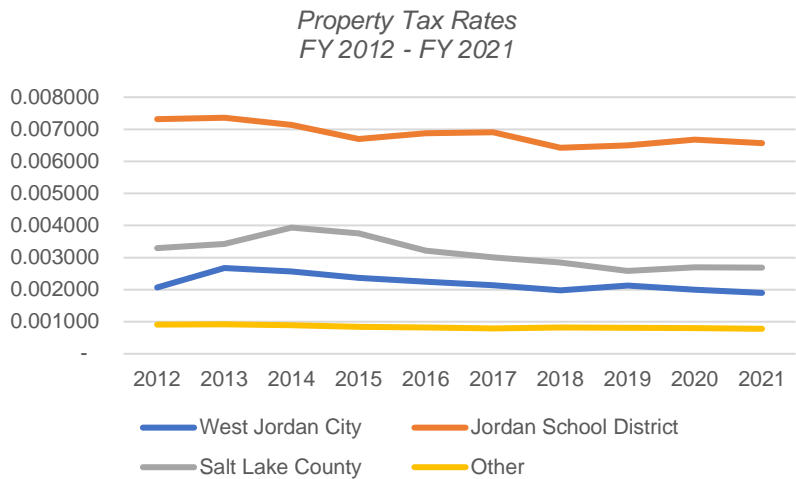
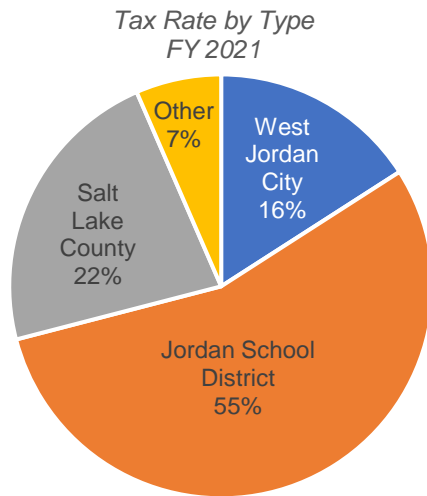


**SCHEDULE 8 – DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 Last Ten Fiscal Years**

Fiscal Year	Direct City Rates			Overlapping Rates			
	Operations	Debt Service	Total City Direct Rate	Jordan School District	Salt Lake County	Other	Total
2012	0.002003	0.000066	0.002069	0.007319	0.003300	0.000912	0.013600
2013	0.002481	0.000193	0.002674	0.007360	0.003420	0.000919	0.014373
2014	0.002384	0.000178	0.002562	0.007132	0.003935	0.000891	0.014520
2015	0.002218	0.000150	0.002368	0.006700	0.003751	0.000841	0.013660
2016	0.002111	0.000140	0.002251	0.006872	0.003214	0.000824	0.013161
2017	0.002009	0.000130	0.002139	0.006906	0.003010	0.000790	0.012845
2018	0.001857	0.000118	0.001975	0.006424	0.002850	0.000817	0.012066
2019	0.002025	0.000107	0.002132	0.006501	0.002584	0.000815	0.012032
2020	0.001901	0.000098	0.001999	0.006676	0.002694	0.000797	0.012166
2021	0.001809	0.000090	0.001899	0.006567	0.002685	0.000779	0.011930

Notes: Overlapping rates are those of other governments and agencies that apply to property within the City.  
 Tax rates are per dollar of assessed value. The City’s certified property tax rate may be increased only by a majority vote of the City Council after holding one or more truth-in-taxation public hearings.

Source: Utah State Tax Commission





**SCHEDULE 9 – PRINCIPAL PROPERTY TAXPAYERS**  
**Last Ten Fiscal Years**

Taxpayer	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Plaza at Jordan Landing LLC	\$ 137,100,000	1	1.6%	\$ 110,133,000	1	2.4%
Lonestar SLC I, LLC	120,224,000	2	1.4%		NEW	
MPT of West Jordan-Steward Property, LLC <sup>1</sup>	75,576,200	3	0.9%	43,234,500	2	0.9%
Aligned Energy Data Centers	68,320,500	4	0.8%		NEW	
Oracle America Inc	66,302,500	5	0.8%	28,454,380	5	0.6%
Mountain America Credit Union	61,604,600	6	0.7%	29,877,700	4	0.7%
The Boeing Company <sup>1</sup>	54,879,300	7	0.6%	41,749,600	3	0.9%
Willowcove International LLC	53,826,685	8	0.6%	24,317,590	6	0.5%
Station at Gardner Mill LLC	42,878,645	9	0.5%		NEW	
Campus View LLC	35,989,700	10	0.4%	17,136,600	8	0.4%
Sysco Intermountain Food Services Inc	35,945,000	11	0.4%	16,685,000	9	0.4%
Serengeti Springs LTD <sup>1</sup>	34,091,656	12	0.4%	16,461,600	10	0.4%
Wal-Mart Stores Inc	21,611,900	27	0.3%	17,452,500	7	0.4%
	<u>\$ 808,350,686</u>		<u>9.4%</u>	<u>\$ 345,502,470</u>		<u>7.6%</u>

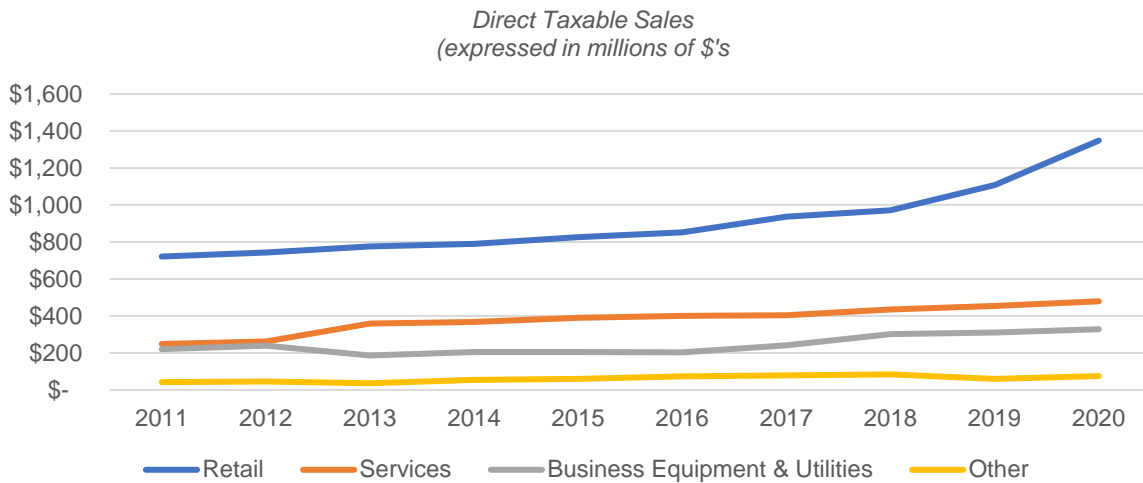
Note: <sup>1</sup> Current taxpayer listed, 2011 comparison based on exact same property but different taxpayer.

Source: Salt Lake County Assessor's Office, West Jordan GIS system

**SCHEDULE 10 - DIRECT TAXABLE SALES BY CATEGORY**  
**Last Ten Calendar Years**

Calendar Year	Retail	Services	Business Equipment & Utilities	Other	Total	City Direct Sales Tax Rate
2011	\$ 721,045,458	\$ 247,509,130	221,084,342	\$ 41,939,927	\$ 1,231,578,857	1.00%
2012	742,836,960	262,226,673	239,780,736	45,668,906	1,290,513,275	1.00%
2013	775,684,054	359,063,551	185,857,212	36,431,721	1,357,036,538	1.00%
2014	789,609,154	367,672,604	204,421,596	53,965,617	1,415,668,971	1.00%
2015	826,025,346	390,211,536	205,074,080	59,512,570	1,480,823,532	1.00%
2016	851,709,139	400,680,330	202,872,948	73,223,845	1,528,486,262	1.00%
2017	937,150,637	403,755,345	241,144,821	78,179,700	1,660,230,503	1.00%
2018	971,183,292	434,554,528	300,676,126	84,475,116	1,790,889,062	1.00%
2019	1,107,997,053	454,207,573	309,779,646	59,163,612	1,931,147,884	1.00%
2020	1,347,858,780	479,436,197	327,655,676	75,469,628	2,230,420,281	1.00%

Source: Utah State Tax Commission





**SCHEDULE 11 – DIRECT AND OVERLAPPING SALES TAX RATES**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	State of Utah	Salt Lake County	Mass Transit	Botanical, Cultural, Zoo	Total
2012	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2013	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2014	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2015	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2016	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2017	1.00%	4.70%	0.50%	0.55%	0.10%	6.85%
2018	1.00%	4.70%	0.75%	0.55%	0.10%	7.10%
2019	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2020	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%
2021	1.00%	4.85%	0.75%	0.55%	0.10%	7.25%

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City. Of the total sales taxes assessed by municipalities within the state, 50% is distributed based on point-of-sale and 50% is pooled and distributed based on population.

Source: Utah State Tax Commission





**SCHEDULE 12 – PRINCIPAL SALES TAXPAYERS**  
**Last Ten Fiscal Years**

Taxpayer	2021			2012		
	Sales Tax <sup>1</sup>	Rank	Percentage of Total Sales Tax	Sales Tax <sup>1</sup>	Rank	Percentage of Total Sales Tax
Smith's	N/A	1	N/A	N/A	2	N/A
Amazon.com	N/A	2	N/A	N/A	NEW	N/A
BMC West	N/A	3	N/A	N/A	NEW	N/A
Wal-Mart	N/A	4	N/A	N/A	1	N/A
Sam's Club	N/A	5	N/A	N/A	3	N/A
The Home Depot	N/A	6	N/A	N/A	7	N/A
Rocky Mountain Power	N/A	7	N/A	N/A	4	N/A
USTC Motor Vehicle	N/A	8	N/A	N/A	N/A	N/A
Lowe's	N/A	9	N/A	N/A	8	N/A
Sysco Foods	N/A	10	N/A	N/A	6	N/A
Target	N/A	12	N/A	N/A	5	N/A
Best Buy	N/A	13	N/A	N/A	9	N/A
Questar	N/A	16	N/A	N/A	10	N/A
<b>Total</b>	<b>\$ 9,500,179</b>		<b>32.75%</b>	<b>\$ 4,299,110</b>		<b>29.72%</b>

<sup>1</sup> Sales tax information is considered proprietary and cannot be shown by individual payer.

N/A = Not applicable

Source: Utah State Tax Commission



**SCHEDULE 13 – RATIO OF OUTSTANDING DEBT BY TYPE  
 Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Revenue Bonds	Capital Leases	Contracts Payable	Unamortized Premiums (Discounts)	Revenue Bonds	Unamortized Premiums (Discounts)			
2012	\$ 8,210,000	\$ 11,747,000	\$ 1,617,873	\$ 1,850,000	\$ (353,428)	\$ 1,710,000	-	\$ 24,781,445	0.60%	\$ 232
2013	7,700,000	10,207,000	1,480,783	1,480,000	126,039	1,030,000	-	22,023,822	0.50%	204
2014	7,260,000	10,548,000	2,105,811	1,355,000	(38,093)	6,380,000	-	27,610,718	0.61%	255
2015	6,665,000	15,283,000	2,239,565	725,000	(31,825)	5,730,000	-	30,610,740	0.64%	278
2016	6,045,000	12,888,000	2,769,019	590,000	(25,556)	11,590,000	-	33,856,463	0.65%	304
2017	5,420,000	35,926,000	2,070,123	450,000	2,234,678	10,330,000	-	56,430,801	1.04%	496
2018	4,785,000	34,316,000	4,551,005	305,000	2,140,286	18,110,000	-	64,207,291	1.14%	564
2019	4,140,000	31,881,000	3,850,018	155,000	1,648,843	15,855,000	-	57,529,861	0.96%	496
2020	3,485,000	29,341,000	3,546,681	2,250,000	1,417,203	13,555,000	-	53,594,884	0.87%	460
2021	2,815,000	26,656,000	2,495,318	-	1,133,366	10,705,000	1,210,138	45,014,822	0.65%	385

<sup>1</sup> See Schedule 19 for personal income and population

**SCHEDULE 14 – RATIO OF GENERAL BONDED DEBT OUTSTANDING  
 Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Per capita
2012	\$ 8,210,000	\$ 4,578,738,544	0.18%	106,954	\$ 77
2013	7,700,000	4,346,016,547	0.18%	108,062	71
2014	7,260,000	4,602,103,814	0.16%	108,362	67
2015	6,665,000	5,061,158,942	0.13%	110,171	60
2016	6,045,000	5,423,196,626	0.11%	111,273	54
2017	5,420,000	5,830,971,813	0.09%	113,699	48
2018	4,785,000	6,451,595,964	0.07%	113,921	42
2019	4,140,000	7,118,902,101	0.06%	116,046	36
2020	3,485,000	7,782,488,881	0.04%	116,480	30
2021	2,815,000	8,475,345,955	0.03%	116,961	24

**SCHEDULE 15 – DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 Last Ten Fiscal Years**

Governmental Unit Taxing Entity	2020 Taxable Value	West Jordan City's Portion of Taxable Value	City's Percentage	Debt Outstanding	City's Portion of Overlapping Debt
Overlapping (General obligation debt):					
Salt Lake County <sup>1</sup>	\$ 129,493,959,810	\$ 8,475,345,955	6.5%	\$ 167,012,035	\$ 10,930,895
Central Utah Water Conservancy District <sup>2</sup>	115,215,516,379	8,475,345,955	7.4%	194,523,667	14,309,317
Jordan School District <sup>3</sup>	27,117,084,315	8,475,345,955	31.3%	218,672,000	68,345,137
Total overlapping debt					<u>93,585,349</u>
Direct:					
General Obligation Bonds					2,815,000
Revenue Bonds					26,656,000
Capital Leases					2,495,318
Contracts Payable					-
Unamortized Premiums (Discounts)					<u>1,133,366</u>
Total direct debt					<u>33,099,684</u>
Total direct and overlapping debt					<u>\$126,685,033</u>

Notes: Overlapping governments are those that coincide, at least in part with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the taxpayers should be taken into consideration.

For debt repaid with property taxes the percentage of overlapping debt applicable to the City of West Jordan was estimated using taxable assessed property within the City divided by the taxable assessed value of the taxing entity as disclosed in the sourcing document.

The State of Utah's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

Source: <sup>1</sup> Salt Lake County Annual Comprehensive Financial Report for year ended June 30, 2020  
<sup>2</sup> Central Utah Water Conservancy District Annual Financial Report for year ended June 30, 2020  
<sup>3</sup> Jordan School District Annual Financial Report for year ended June 30, 2020



**SCHEDULE 16 – LEGAL DEBT MARGIN**

**Last Ten Fiscal Years**

(Amounts expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit										
General										
(4% Fair Cash Value)	\$ 304,360	\$ 296,801	\$ 285,547	\$ 304,733	\$ 332,159	\$ 355,303	\$ 378,585	\$ 419,260	\$ 463,208	\$ 510,969
Water and Sewer										
(4% Fair Cash Value)	304,360	296,801	285,547	304,733	332,159	355,303	378,585	419,260	463,208	510,969
Total 8% Debt Limit	608,721	593,602	571,094	609,466	664,318	710,606	757,171	838,521	926,416	1,021,938
Total Net Debt										
Applicable to Limit	8,210	7,700	7,260	6,665	6,045	5,420	4,785	4,140	3,485	2,815
Legal Debt Margin	\$ 600,511	\$ 585,902	\$ 563,834	\$ 602,801	\$ 658,273	\$ 705,186	\$ 752,386	\$ 834,381	\$ 922,931	\$ 1,019,123
Total net debt applicable to the limit as a % of the debt limit	1.35%	1.30%	1.27%	1.09%	0.91%	0.76%	0.63%	0.49%	0.38%	0.28%

**SCHEDULE 17 – PLEDGED REVENUE COVERAGE, GOVERNMENTAL ACTIVITIES  
 Last Ten Fiscal Years**

Sales Tax Revenue Bonds				
Fiscal Year	Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2012	\$14,467,761	\$ 1,725,000	\$ 94,875	7.95
2013	15,161,672	-	-	N/A
2014	15,976,144	-	24,396	N/A
2015	16,845,871	310,000	72,822	44.00
2016	17,371,482	905,000	193,546	15.81
2017	18,583,140	920,000	174,154	16.98
2018	19,922,143	945,000	140,716	18.35
2019	20,933,636	960,000	125,561	19.28
2020	24,666,933	980,000	106,100	22.71
2021	29,007,979	1,005,000	86,178	26.58

Tax Increment				
Fiscal Year	Tax Increment Revenue	Debt Service		Coverage
		Principal	Interest	
2012	\$ 2,282,629	\$ 770,000	\$ 249,341	2.24
2013	2,794,439	735,000	209,686	2.96
2014	3,398,395	690,000	171,466	3.94
2015	3,824,806	655,000	135,103	4.84
2016	4,136,309	650,000	100,388	5.51
2017	3,780,491	700,000	65,938	4.94
2018	3,722,099	665,000	146,030	4.59
2019	4,021,956	755,000	114,410	4.63
2020	4,262,252	815,000	80,812	4.76
2021	4,335,581	905,000	44,544	4.57

Note: Details regarding the City's outstanding debt can be found in Note 13 of the Notes to the Financial Statements.

**SCHEDULE 18 – PLEDGED REVENUE COVERAGE, BUSINESS-TYPE ACTIVITIES**  
**Last Ten Fiscal Years**

Fiscal Year	Water Revenue Bonds					
	Utility Revenues <sup>1</sup>	Less Utility Expenses <sup>2</sup>	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	\$ 15,822,089	\$ 11,362,423	\$ 4,459,666	\$ 820,000	\$ 66,057	5.03
2013	16,172,170	11,593,674	4,578,496	680,000	41,576	6.35
2014	17,001,425	12,816,500	4,184,925	695,000	93,949	5.30
2015	16,965,634	13,657,873	3,307,761	650,000	140,542	4.18
2016	16,955,828	14,965,284	1,990,544	665,000	126,060	2.52
2017	18,291,855	17,402,966	888,889	675,000	111,430	1.13
2018	20,800,973	16,650,766	4,150,207	1,635,000	279,536	2.17
2019	23,551,811	18,375,750	5,176,061	1,630,000	285,700	2.70
2020	31,899,423	20,241,481	11,657,942	1,665,000	249,380	6.09
2021	33,454,557	20,577,260	12,877,297	1,705,000	236,833	6.63

Fiscal Year	Storm Drain Revenue Bonds					
	Utility Revenues <sup>1</sup>	Less Utility Expenses <sup>2</sup>	Total Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	N/A	N/A	N/A	-	-	N/A
2013	N/A	N/A	N/A	-	-	N/A
2014	N/A	N/A	N/A	-	-	N/A
2015	N/A	N/A	N/A	-	-	N/A
2016	N/A	N/A	N/A	-	-	N/A
2017	\$ 4,750,119	\$ 1,584,739	\$ 3,165,380	\$ 585,000	\$ 138,176	4.38
2018	4,359,885	2,138,785	2,221,100	610,000	114,642	3.07
2019	4,975,069	2,759,368	2,215,701	625,000	102,869	3.04
2020	9,327,878	3,228,270	6,099,608	635,000	90,806	8.40
2021	7,881,654	4,167,695	3,713,959	645,000	78,552	5.13

Notes: Details regarding the City's outstanding debt can be found in Note 13 of the Notes to the Financial Statements.

<sup>1</sup> Revenues include interest and impact fees

<sup>2</sup> Expenses exclude depreciation, amortization, changes in joint venture, interest expense, and in lieu of tax transfers

**SCHEDULE 19 – DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

Year	Population <sup>1</sup>	Personal Income <sup>1</sup>	Per Capita Personal Income <sup>2</sup>	Unemployment Rate <sup>3</sup>
2012	106,954	\$ 4,154,200,314	\$ 38,841	6.6%
2013	108,062	4,448,048,044	41,162	5.3%
2014	108,362	4,521,296,088	41,724	4.4%
2015	110,171	4,809,294,663	43,653	3.7%
2016	111,273	5,168,964,669	46,453	3.4%
2017	113,699	5,450,388,963	47,937	3.2%
2018	113,921	5,632,823,845	49,445	3.1%
2019	116,046	5,984,608,266	51,571	3.0%
2020	116,480	6,131,390,720	52,639	6.0%
2021	116,961	6,909,704,997	59,077	3.2%

Sources: <sup>1</sup> United States Census Bureau for the City of West Jordan, Utah  
<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis for Salt Lake County/City  
<sup>3</sup> Utah Department of Workforce Services for Salt Lake County





**SCHEDULE 20 – PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**

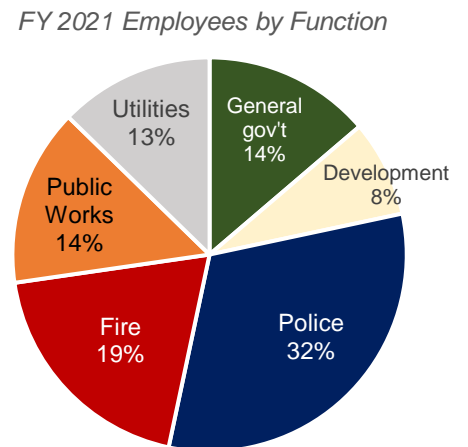
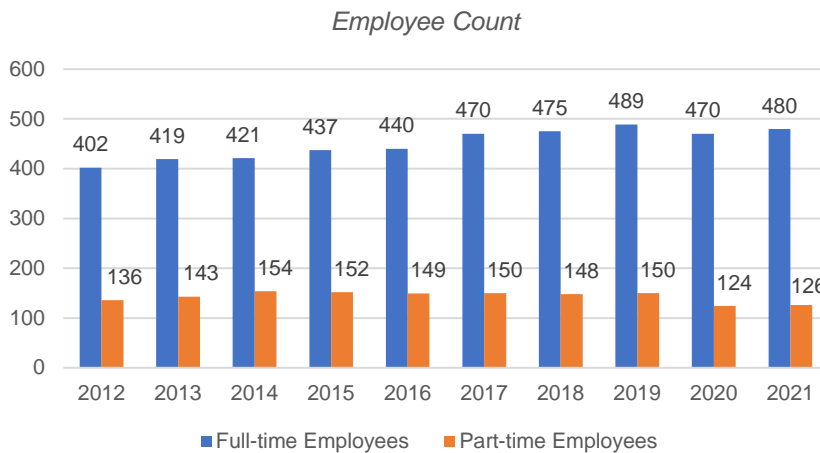
	2021			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Jordan School District	3,717	1	6.58%	3,145	1	9.49%
Smith's Food and Drug	779	2	1.38%	364	9	1.10%
Jordan Valley Medical Center	767	3	1.36%	625	2	1.89%
West Jordan City	606	5	1.07%	538	5	1.62%
Snugz USA Inc	580	4	1.03%			
Sysco Intermountain Food Services	443	6	0.78%	438	6	1.32%
SME Industries	375	7	0.66%	375	8	1.13%
Wal-Mart	372	8	0.66%	581	3	1.75%
Mountain America Credit Union	300	9	0.53%	400	7	1.21%
Dunford's	266	10	0.47%			
Fairchild Sem-conductor				575	4	1.73%
Target				285	10	0.86%
	<u>8,205</u>		<u>14.52%</u>	<u>7,326</u>		<u>22.10%</u>

Source: West Jordan Business License Division, Jordan School District Annual Financial Report, US Department of Labor Bureau of Labor Statistics

**SCHEDULE 21 – FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
 Last Ten Fiscal Years**

Function/Program	Employees as of June 30										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
General government	58	66	68	72	73	66	67	67	65	65	
Community development	24	21	21	23	25	38	39	39	38	38	
Public safety											
Police	141	148	147	146	146	152	152	157	152	152	
Fire	85	85	85	85	85	86	86	95	93	93	
Highways & public improvements	41	43	46	48	48	55	55	55	45	45	
Parks, recreation, and culture	15	16	15	16	16	17	17	17	16	16	
Fleet management	7	7	6	8	8	8	8	8	9	9	
Risk management	0	0	0	0	0	0	0	0	1	1	
Water	18	18	18	20	20	19	19	19	19	27	
Sewer	10	10	10	12	12	12	15	15	15	16	
Solid waste	1	1	1	1	1	2	2	2	2	3	
Storm water	2	4	4	6	6	15	15	15	15	15	
<b>Total full-time equivalent employees</b>	<b>402</b>	<b>419</b>	<b>421</b>	<b>437</b>	<b>440</b>	<b>470</b>	<b>475</b>	<b>489</b>	<b>470</b>	<b>480</b>	
Part-time and/or seasonal employees	136	143	154	152	149	150	148	150	124	126	
<b>Total Employees</b>	<b>538</b>	<b>562</b>	<b>575</b>	<b>589</b>	<b>589</b>	<b>620</b>	<b>623</b>	<b>639</b>	<b>594</b>	<b>606</b>	

Source: West Jordan Adopted Budgets





**SCHEDULE 22 – OPERATING INDICATORS**  
**Last Ten Fiscal Year**

<u>Function/Program</u>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community development										
Residential building permits issued	682	727	809	965	1,406	2,003	1,644	1,490	1,859	2,009
Commercial building permits issued	211	186	197	229	226	237	277	298	208	236
Police										
Calls for service	62,414	61,501	60,017	64,291	64,019	60,645	57,662	59,048	61,632	59,848
Arrests	3,514	3,042	2,981	2,900	3,677	2,846	2,474	2,846	3,068	2,337
Violations cited	13,170	11,113	12,144	13,868	15,165	13,797	13,348	14,000	13,581	12,466
Fire										
Medical responses	3,792	3,798	3,902	4,341	4,191	4,950	5,523	5,317	4,777	5,569
Fire responses	1,218	1,879	1,760	1,934	1,059	1,280	1,434	1,939	1,380	1,594
Water										
Customers Residential	20,315	20,545	20,761	21,055	21,544	21,679	22,050	22,490	22,840	23,078
Customers Commercial	1,569	1,567	1,605	1,657	1,664	1,749	1,755	1,783	1,844	1,917
Average daily consumption (in millions of gallons)	19.55	18.35	18.54	18.49	20.15	19.82	20.78	19.47	19.62	21.17
Sewer										
Sewer line miles inspected	22	18	20	13	23	27	33	46	89	83
Sewer line miles cleaned	93	83	87	88	111	94	90	50	110	95



**SCHEDULE 23 – CAPITAL ASSETS**  
**Last Ten Fiscal Years**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police</b>										
Patrol units <sup>1</sup>	77	77	77	49	29	13	13	12	12	59
<b>Fire</b>										
Fire stations	4	4	4	4	4	4	4	4	4	4
Fire engines	6	6	6	6	6	6	6	6	6	7
Ambulances	5	5	5	5	5	6	6	5	5	5
<b>Public works</b>										
Streets (miles)	329	329	334	336	339	343	347	351	355	365
<b>Parks &amp; recreation</b>										
Acreage	336	338	348	354	354	342	347	353	353	353
Baseball/softball diamonds	13	13	13	13	13	13	13	13	13	13
Soccer fields	20	20	20	20	20	20	18	18	19	19
<b>Water</b>										
Storage capacity (millions of gallons)	30.5	30.5	30.5	37.5	37.5	37.5	37.5	41.5	45.5	45.5

Notes:

<sup>1</sup> In 2015, the City began to lease (rent) patrol vehicles on a three-year rotational basis. The program was phased in over a three-year period. In 2020, the City began exiting the lease program and began buying out the leases. The exit will be phased over a three-year period.

Source: West Jordan internal departments, geographical information system, and financial fixed asset system

**SINGLE AUDIT SECTION**



**For Fiscal Year Ended June 30, 2021**



*West Jordan Animal Services 2021*

**CITY OF WEST JORDAN**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Federal Award Identification Number	Pass- Through Grantor's Number	Passed Through to Sub- Recipients	Expenditures
<b><u>Department of Housing and Urban Development</u></b>					
Direct Programs:					
Community Development Block Grant	14.218	B-14-MC-49-0007	N/A	\$ 209,591	\$ 216,791
Community Development Block Grant	14.218	B-15-MC-49-0007	N/A	-	20,364
Community Development Block Grant	14.218	B-18-MC-49-0007	N/A	24,662	24,662
Community Development Block Grant	14.218	B-19-MC-49-0007	N/A	23,623	23,623
Community Development Block Grant	14.218	B-20-MC-49-0007	N/A	28,470	118,428
COVID-19 Community Development Block Grant	14.218	B-20-MW-49-0007	N/A	25,932	59,112
<b>Total Housing and Urban Development</b>				<b>\$ 312,278</b>	<b>\$ 462,980</b>
<b><u>Department of the Treasury</u></b>					
Passed through Salt Lake County, Utah:					
COVID-19 Coronavirus Relief Fund	21.019	N/A	None	\$ -	\$ 5,188,383
<b>Total Department of the Treasury</b>				<b>\$ -</b>	<b>\$ 5,188,383</b>
<b><u>Department of Justice</u></b>					
Direct Programs:					
Federal Asset Sharing Program	16.922	UT0180600	N/A	\$ -	\$ 3,992
Passed through State of Utah:					
Utah Office for Victims of Crimes (VOCA)	16.575	N/A	20VOCA078	-	76,183
Internet Crimes Against Children (ICAC)	16.543	N/A	2018-MC-FX-K022	-	8,264
<b>Total Department of Justice</b>				<b>\$ -</b>	<b>\$ 88,439</b>
<b><u>Department of Homeland Security</u></b>					
Passed through State of Utah:					
Emergency Management Performance Grant	97.042	EMD-2020-EP-00002-S01	EMPG-2020-DEM-028	\$ -	\$ 11,500
State Homeland Security Protection Grant	97.067	EMW-2018-SS-00017	DEM-2018-SHSP-00	-	22,841
Public Assistance Grant Program	97.036	DR-4548-UT	None	-	164,908
<b>Total Department of Homeland Security</b>				<b>\$ -</b>	<b>\$ 199,249</b>
<b>Total expenditures of federal awards</b>				<b>\$ 312,278</b>	<b>\$ 5,939,051</b>

See notes to the Schedule of Expenditures of Federal Awards.

**CITY OF WEST JORDAN**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2021**

**Note 1 - Purpose of the Schedule**

The Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to the basic financial statements. The Schedule is required by the US Office of Management and Budget (OMB) Uniform Guidance.

**Note 2 - Significant Accounting Policies**

Basis of Accounting

The information in the Schedule is presented in accordance with Uniform Guidance. The Schedule is prepared using the same accounting policies and basis of accounting as the basic financial statements.

Major Programs

Uniform Guidance establishes the levels of expenditures or expenses and other criteria to be used in defining major federal financial assistance. The federal award tested as a major program was CARES Act number 21.019.

Indirect Costs

Generally, the City does not charge indirect costs to grants, and therefore, does not use the 10 percent de minimis indirect cost rate.



## **SUPPLEMENTAL AUDIT REPORTS**



**For Fiscal Year Ended June 30, 2021**



*View of the Wasatch Front and West Jordan City*



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

Honorable Mayor and  
Members of the City Council  
City of West Jordan  
West Jordan, Utah

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bountiful City, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise West Jordan City's (the City) basic financial statements, and have issued our report thereon dated December 10, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the 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 opinions on the 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 entity's 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 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 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 instance of noncompliance or other matters that is required to be reported under Government Auditing Standards.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC  
Salt Lake City, Utah  
December 10, 2021



**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and  
Members of the City Council  
City of West Jordan  
West Jordan, Utah

**Report on Compliance for Each Major Federal Program**

We have audited the City of West Jordan, Utah's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program 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 for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated December 10, 2021, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 basic 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Purpose of Report**

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC  
Salt Lake City, Utah  
December 10, 2021

**CITY OF WEST JORDAN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Fiscal Year Ended June 30, 2021**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

- |                                                                                                                         |            |
|-------------------------------------------------------------------------------------------------------------------------|------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting:                                                                           |            |
| a. Material weakness identified?                                                                                        | No         |
| b. Significant deficiency identified?                                                                                   | None noted |
| 3. Noncompliance material to financial statements noted?                                                                | No         |

**Federal Awards**

- |                                                                                                 |                     |
|-------------------------------------------------------------------------------------------------|---------------------|
| 1. Internal control over financial reporting:                                                   |                     |
| a. Material weakness identified?                                                                | No                  |
| b. Significant deficiency identified?                                                           | None noted          |
| 2. Type of auditor's report issued on compliance for major federal programs:                    | Unmodified          |
| 3. Any findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No                  |
| 4. Any audit findings in the prior year regarding federal awards?                               | No                  |
| 5. Federal programs tested as a major program:                                                  |                     |
| <u>Name of Federal Program:</u>                                                                 | <u>CFDA Number:</u> |
| Coronavirus Relief Fund                                                                         | 21.019              |
| 6. Dollar threshold used to distinguish between type A and type B programs:                     | \$750,000           |
| 7. Auditee qualified as low-risk auditee?                                                       | Yes                 |

**FINANCIAL STATEMENT FINDINGS**

None

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None



KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA

Phyl R. Warnock, CPA

Marcus K. Arbuckle, CPA

Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

Honorable Mayor and  
Members of City Council  
City of West Jordan  
West Jordan, Utah

**Report on Compliance**

We have audited the City of West Jordan's compliance with the applicable state 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 for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Recognition
- Open and Public Meetings Act

**Management's Responsibility**

Management is responsible for compliance with the state requirements referred to above.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the City of West Jordan'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 state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement 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 of each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

**Opinion on Compliance**

In our opinion, the City of West Jordan complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.



**CITY OF WEST JORDAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE COMPLIANCE**  
**For The Fiscal Year Ended June 30, 2021**

**Other Matters**

The results of our auditing procedures disclosed two areas of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations. 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 accompanying schedule of findings and recommendations. The City's response was not subject 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 state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 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 weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted two matters involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying schedule of findings and recommendations.

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

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC  
Salt Lake City, Utah  
December 10, 2021

**CITY OF WEST JORDAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE COMPLIANCE**  
**For The Fiscal Year Ended June 30, 2021**

**2021-01 Expenditures in Excess of Budget (Significant Deficiency)**

**Condition:** During our audit procedures, we noted that the

- RDA Fund exceeded budgeted expenditures by \$1,925,745.
- MBA Fund exceeded budgeted expenditures by \$348,235.

**Criteria:** Utah Code 10-6-123 states “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.”

**Cause:** The City incurred more expenditures in the RDA & MBA Funds than had been budgeted for.

**Effect:** The City did not comply with Utah Code 10-6-123.

**Recommendation:** We recommend the City comply with the Utah Code 10-6-123.

**Response:** The City will monitor expenditures to budget more closely and proactively through the monthly financial reporting process and schedule amendments as needed. It may be important to note both of these funds require special board meetings outside of the normal city council. The timing of some year-end expenditures may affect the ability to schedule budget amendments.

**2021-02 Fund Balance (Significant Deficiency)**

**Condition:** During our audit procedures, we noted a fund deficit in the Fire Impact Fee fund in the amount of \$90,065 and noted that there did not appear to be an appropriation made in the subsequent fiscal year’s approved budget to retire that deficit.

**Criteria:** Utah Code 10-6-117(2)(a) states: “If there is a deficit fund balance in a fund at the close of the last completed fiscal year, the governing body of a city shall include an item of appropriation for the deficit in the current budget of the fund equal to at least 5% of the total revenue of the fund in the last completed fiscal year.”

**Cause:** The City did not make an appropriation in the subsequent fiscal year’s budget to retire the deficit in the Fire Impact Fee fund.

**Effect:** The City did not comply with Utah Code 10-6-117

**Recommendation:** We recommend the City comply with the Utah Code 10-6-117

**Response:** This deficit balance is exclusive to a fund that reports developer contributions in the form of fire impact fees towards required fire service coverage. The debt service paid by this fund is the exclusive financial responsibility of developer impact fees and will not be subsidized by taxpayer funds. These fees do not currently provide sufficient resources to pay for the annual debt service in full each year, however over time the resources will be available as development occurs.

**CITY OF WEST JORDAN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS – STATE COMPLIANCE**  
**For The Fiscal Year Ended June 30, 2021**

**Status of Prior Year Findings**

**2020-001: Open and Public Meetings Act**

**Finding**

Criteria: Utah Code Annotated (UCA) 52-4-203(4)(e)(ii)(A) states that a “state public body shall within three business days after approving written minutes of an open meeting, post to the [Utah Public Notice Website] a copy of the approved minutes and any public materials distributed at the meeting.” During our test work we noted the following:

- The January 22, 2020 City Council meeting minutes were approved on February 26, 2020 but were not posted to the Utah Public Notice Website until April 4, 2020.
- The February 26, 2020 City Council meeting minutes were approved on March 11, 2020 but were not uploaded to the Utah Public Notice website until April 13, 2020.
- The January 15, 2020 City Council Work Session meeting minutes were approved on February 26, 2020 but were not posted to the Utah Public Notice Website until April 13, 2020.  
We noted that the April 15, 2020 City Council Work Session meeting minutes were approved on May 13, 2020 but were not uploaded to the Utah Public Notice Website until May 29, 2020

**Status of Finding**

We did not note a similar finding in fiscal year ended June 30, 2021. It appears this finding has been resolved.

**2020-002: Expenditures in Excess of Budget**

**Finding**

Utah Code 10-6-123 states “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.”

During our audit procedures, we noted that the following funds had expenditures in excess of budgeted amounts:

- General Fund, including transfers, exceeded budgeted expenditures by \$2,515,505
- Redevelopment Agency Fund exceeded budgeted expenditures by \$2,196,036
- Municipal Building Authority Fund exceeded budgeted expenditures by \$63,077
- Highland Special Improvement District Fund exceeded budgeted expenditures by \$3,545
- Police Impact Fee Fund exceeded budget by \$48,468
- Fire Impact Fee Fund exceeded budget by \$78,295

**Status of Finding**

The City has a similar finding in fiscal year ended June 30, 2021.



*West Jordan City Hall*