

City of South Jordan, Utah



ANNUAL COMPREHENSIVE FINANCIAL REPORT



**Fiscal Year Ended
June 30, 2024**

Annual Comprehensive Financial Report

For Fiscal Year Ended

June 30, 2024



City of South Jordan, Utah

Prepared by the Finance Department

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City of South Jordan, Utah
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended June 30, 2024

Table of Contents

| | |
|---|----------------|
| INTRODUCTORY SECTION | 1 |
| Letter of Transmittal..... | 2 |
| Certificate of Achievement for Excellence in Financial Reporting..... | 9 |
| Organizational Chart | 10 |
| Elected and Appointed Officials | 11 |
| FINANCIAL SECTION..... | 13 |
| Independent Auditors’ Report on Financial Statements and Supplementary Information..... | 15 |
| Management’s Discussion and Analysis..... | 18 |
| BASIC FINANCIAL STATEMENTS..... | 35 |
| Government-Wide Financial Statements | |
| Statement of Net Position | 37 |
| Statement of Activities | 38 |
| Fund Financial Statements | |
| Governmental Fund Financial Statements | |
| Balance Sheet..... | 40 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 41 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 42 |
| Proprietary Fund Financial Statements | |
| Statement of Net Position..... | 44 |
| Statement of Revenues, Expenses, and Changes in Net Position | 45 |
| Statement of Cash Flows..... | 46 |
| Fiduciary Fund Financial Statements | |
| Statement of Net Position..... | 48 |
| Statement of Changes in Fiduciary Net Position..... | 49 |
| Notes to the Financial Statements..... | 51 |
| REQUIRED SUPPLEMENTARY INFORMATION..... | 111 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | |
| General Fund..... | 112 |
| Redevelopment Agency Fund | 114 |
| Schedule of the Proportionate Share of the Net Pension Liability..... | 115 |
| Schedule of Contributions - Utah Retirement Systems..... | 116 |
| Notes to Required Supplementary Information..... | 118 |
| SUPPLEMENTARY INFORMATION | 119 |
| Combining and Individual Fund Statements and Schedules | |
| Nonmajor Governmental Funds..... | 120 |

| | |
|---|-----|
| Combining Balance Sheet | 121 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 122 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual | |
| Storm Drain - Storm Drain Fund..... | 123 |
| Community Development Block Grant - Special Revenue Fund | 124 |
| Fitness Center - Special Revenue Fund | 125 |
| Interfacility Ambulance Fund - Special Revenue Fund | 126 |
| Municipal Building Authority - Debt Service Fund | 127 |
| Capital Projects - Capital Projects Fund | 128 |
| Debt Services - Debt Service Fund | 129 |

STATISTICAL SECTION..... 131

| | |
|---|-----|
| Net Position by Component | 133 |
| Changes in Net Position | 134 |
| Governmental Funds - Fund Balances..... | 136 |
| Governmental Funds - Changes in Fund Balances | 137 |
| Assessed Value and Estimated Actual Value of Taxable Property | 139 |
| Property Tax Rates - Direct and Overlapping Governments..... | 140 |
| Principal Property Tax Payers | 141 |
| Property Tax Levied and Collections | 142 |
| Principal Sales Tax Payers..... | 143 |
| Direct and Overlapping Sales Tax Rates | 144 |
| Charges for Water Fees | 145 |
| Ratios of Outstanding Debt by Type..... | 146 |
| Direct and Overlapping Governmental Activities Debt | 147 |
| Legal Debt Margin Information | 148 |
| Pledged Revenue Coverage..... | 149 |
| Demographic and Economic Statistics | 151 |
| Principal Employers..... | 152 |
| Full-Time Equivalent City Employees by Function/Program | 153 |
| Capital Asset Statistics by Function/Program..... | 154 |
| Operating Indicators by Function/Program..... | 155 |

SUPPLEMENTAL REPORTS..... 157

| | |
|---|-----|
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with the <i>Government Auditing Standards</i> | 159 |
| Independent Auditors' Report as Required by State <i>Compliance Audit Guide</i> on Compliance with General State Compliance Requirements and Internal Control Over Compliance | 161 |
| Single Audit..... | 163 |



INTRODUCTORY SECTION

Dawn R. Ramsey, *Mayor*
Patrick Harris, *Council Member*
Kathie L. Johnson, *Council Member*
Donald J. Shelton, *Council Member*
Tamara Zander, *Council Member*
Jason T. McGuire, *Council Member*



PH: 801.446-HELP @SouthJordanUT

December 31, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of South Jordan (the City) for the fiscal year ended June 30, 2024, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report must be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This Annual Comprehensive Financial Report has been prepared by the City's Finance Department. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Generally Accepted Accounting Principles (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 can be found immediately following the report of the independent auditors.

The financial reporting entity (the City) includes all of the funds of the primary government (i.e., the City as legally defined), as well as all of its component units and fiduciary funds. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the South Jordan Redevelopment Agency and South Jordan Municipal Building Authority are reported in this Annual Comprehensive Financial Report as a special revenue fund and a debt service fund, respectively. Fiduciary funds are resources held by the City, but belong to individuals or entities outside the government. The City has one fiduciary fund, the Metro Fire Testing Consortium Custodial Fund.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION, AND OUTLOOK

Governmental Structure

Under the City's six-member council form of government, by ordinance, legislative powers are vested in a governing body consisting of a Mayor and a five-member City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; interfacility ambulance services, and administrative services. The City also operates water distribution, a golf course, and waste collection as enterprise funds.

Economic Condition and Outlook

The City of South Jordan, incorporated in 1935, is located in the southwest part of the Salt Lake Valley. The City is a rapidly growing suburban community encompassing 25.74 square miles. The City's population is estimated at 88,535¹. We anticipate the population in South Jordan will continue to increase as the City remains a desirable place to live. According to data from the U.S. Census Bureau, South Jordan is currently the 10th largest city in the state.

The added population has placed increased demands on services, but the City has adopted a conservative approach to the expansion of these services. The general philosophy of the City is that increased revenues from existing taxes and other revenue sources must provide the base for the expansion of public expenditures. As demonstrated over the past several years, the City is committed to this philosophy.

The City is experiencing a stable local economy despite the uncertainty surrounding inflation. The City continues to see interest in residential and commercial development. Overall, General Fund revenues rose 5.1 percent, with revenues from taxes increasing 2.3 percent over the prior year, largely from a 3.2 percent increase in property tax revenue and 3.1 percent from sales and use tax. The City remains cautiously optimistic as Utah's unemployment rate increased slightly in June to 4.1 percent². The state of Utah is also experiencing a strong housing market and growing population, which the City has demonstrated by continued housing and population growth.

The Bingham Creek Regional Park opened within the city boundaries, which when completed will be approximately 160 acres. This is a joint project where the City and Salt Lake County each contributed to its construction, with the City selling its fitness center to Salt Lake County in exchange for its portion of this project. The Salt Lake Bees also announced they will be building a new ball park and entertainment area in South Jordan, with a projected opening in 2025. Lastly, the City also announced an annexation agreement with Kennecott, which increased the boundaries of the City, adding an additional 2,200 acres for a future master planned community.

¹ Source South Jordan City

² U.S. Bureau of Labor Statistics

MAJOR INITIATIVES

Our Vision

We are a family-oriented community, founded upon principles of accountability, integrity, industry, and innovation with an unwillingness to compromise in securing a sustainable environment for future generations.

Our Mission

South Jordan City provides service-oriented, responsible government, consistent with the community's values, priorities, and expectations for a high quality of life, enhancing the City's fiscal health, providing professional and innovative services, and managing the City's resources, while planning for the future.

Our Priorities



South Jordan City promotes a strong safety culture for the entire community and its workforce by:

South Jordan City delivers reliable public infrastructure by effectively planning and maintaining:

South Jordan City establishes and implements clear, effective, and necessary regulations to protect the health, safety and welfare of the community by:

South Jordan City promotes a strong sense of place by providing opportunities for:

STRATEGIES:

- Creating a Safe Sense of Community
- Ensuring an Appropriate Response
- Ensuring Community Readiness

STRATEGIES:

- Multi-Modal Transportation Networks
- Public Utility Systems
- Public Facilities

STRATEGIES:

- Implementing & Enforcing Regulations
- Executing the General Plan
- Engaging the Community Appropriately

STRATEGIES:

- Parks, Trails & Open Space
- Recreation Programs & Events
- Arts & Culture

GUIDING PRINCIPLES:

SC-1. Protects the public while fostering personal safety and security while providing education throughout the community
 SC-2. Responds to emergencies and calls for service and listens to concerns
 SC-3. Enforces the law respectfully and without prejudice
 SC-4. Delivers a safe and reliable public and private infrastructure system
 SC-5. Engages the entire community to share in the responsibility for its safety, health and well-being

GUIDING PRINCIPLES:

RPI-1. Plans and coordinates with other stakeholders for quality public infrastructure (e.g. streets, culinary and secondary water, storm water, parks, trails, open space and public facilities)
 RPI-2. Develops quality public infrastructure
 RPI-3-. Maintains and operates quality public infrastructure
 RPI-4. Endures funding from multiple stakeholders to effectively plan, develop, staff and operate quality public infrastructure

GUIDING PRINCIPLES:

BRE-1. Develops effective, well-balanced and consistently applied ordinances and policies
 BRE-2. Implements ordinances and policies that encourage quality community growth and development
 BRE-3. Educates and engages the members of the community, developing a sense of shared responsibility and community pride
 BRE-4. Enforces ordinances and policies with adequate staffing to maintain a clean, orderly and sustainable community

GUIDING PRINCIPLES:

DAOS-1. Develops a quality parks, trails and recreation facilities system
 DAOS-2. Maintains and operates a quality parks, trails and recreation system
 DAOS-3. Preserves the community's heritage and culture for today's and future generations
 DAOS-4. Offers a variety of park amenities, recreation and art programs and community events for all ages and abilities
 DAOS-5. Partners with community stakeholders to maintain and expand park, art and recreational opportunities



South Jordan City promotes economic development by facilitating efforts with stakeholders for a sustainable future by:

South Jordan City promotes a sustainable community by planning for growth while aligning its resources through:

South Jordan City promotes an engaged and informed community through a variety of effective methods to inform, educate and connect with its residents by:

South Jordan City provides efficient and effective governance through best practices in:

STRATEGIES:

- Enhancing a Diverse & Dynamic Tax Base
- Ensuring Sustainability
- Engaging Stakeholders

GUIDING PRINCIPLES:

ED-1. Expands, attracts and retains a diverse mix of high quality employers to contribute to the community's economic sustainability and offer opportunities for employment
 ED-2. Promotes the community as a safe, attractive and quality place to live, work and play
 ED-3. Enhances a dynamic, sustainable and diversified tax base, balancing taxes, fees and charges
 ED-4. Establishes a predictable and efficient development process that fosters a high degree of collaboration and coordination within the community and with diverse stakeholders
 ED-5. Ensures a quality public infrastructure network that meets the needs of future economic growth objectives

STRATEGIES:

- Intentional & Integrated Planning
- Maintaining Service Levels
- Conservation Programs

GUIDING PRINCIPLES:

SG-1. Implements effective policies and programs to ensure the accomplishment of the General Plan and its related goals and objectives while using a variety of financial tools (e.g. RDA housing funds) to ensure diverse and affordable housing types
 SG-2. Creates and supports environmentally sustainable programs including water conservation, recycling, energy conservation, and air quality improvement to ensure the financial well-being and long-term sustainability of the community
 SG-3. Develops future water resources through a variety of innovative methods
 SG-4. Enhances and maintains public transportation networks (e.g. TRAX, Frontrunner, I-15, MVC, Bangerter, U-111) ensuring long-term needs are incorporated into growth plans

STRATEGIES:

- Listening & Learning
- Informing & Educating
- Fostering Shared Responsibility

GUIDING PRINCIPLES:

EC-1. Responds to the needs and concerns of the community in a prompt, transparent, professional, respectful and ethical manner
 EC-2. Ensures open, two-way communication, by listening to and soliciting feedback from community members
 EC-3. Provides opportunities to engage and serve, informing and involving the community through a variety of methods
 EC-4. Fosters a feeling of community pride, acceptance of others, and a sense of shared responsibility

STRATEGIES:

- Fiscal Responsibility
- Technology & Transparency
- Leadership & Operational Excellence
- Community Alignment

GUIDING PRINCIPLES:

FRG-1. Workforce: attracts, motivates, develops and retains a high-quality, engaged and productive workforce
 FRG-2. Transparency: fosters fiscal responsibility, operational excellence, trust and transparency by ensuring accountability, efficiency and innovation in all operations
 FRG-3. Resource Alignment: projects, manages, optimizes and invests in its human, financial, physical and technological resources to ensure alignment with planning and budget
 FRG-4. Regulatory Compliance: assures regulatory and policy compliance to minimize and mitigate risk
 FRG-5. Communication: provides responsive and accessible leadership, facilitates timely and effective two-way communication and utilizes input from all stakeholders
 FRG-6. Vision and Planning: supports decision-making with timely and accurate short-term and long-range analysis that enhances vision and planning

Capital Projects. The City's staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensure the citizens of South Jordan are able to live and work in a desirable environment. During fiscal year 2024, the City had several significant new and ongoing projects. Some of these projects are listed below:

1. Park Projects. The City spent \$148,545 on finishing the construction of a new park (Heritage Park). In addition, the City spent \$581,548 on citywide park improvements.
2. Road Projects. The City continued working on multiple road projects during the year, including expenditures for Grandville Avenue of \$2,895,963. In addition, the City spent \$853,393 on South Jordan Parkway and \$719,440 on 10200 South.
3. Storm Drain Projects. The City worked on multiple storm drain projects during the year, including \$943,033 in various storm drain pipeline projects.
4. Vehicle Replacement. The City practice has been to regularly rotate vehicles prior to incurring higher maintenance costs. The City spent approximately \$802,523 on replacing vehicles and purchasing additional equipment.
6. Water Projects. In an effort to maintain an aging water infrastructure, the City spent \$3,601,197 in fiscal year 2024 on water transite pipe replacement projects. In addition, the City spent \$167,092 on the Water Reuse Project.
7. Mulligans Remodel. The City spent \$111,300 in replacement equipment and new equipment.

Economic Development. The City Council recognizes the need to develop the City's economic base to provide the necessary services, i.e., recreation, roads, public safety, etc., to its citizens. Efforts are being made by the City to attract new businesses and to promote the type of activities that will enhance the quality of life in the community. These businesses include restaurants, office buildings, and industrial space.

The South Jordan Redevelopment Agency was established for the purpose of encouraging new development within the City. The Agency currently has two active redevelopment areas (RDA's), two active economic development areas (EDA's), and four active community development areas (CDA's), and a recently approved community reinvestment area (CRA). These areas have been successful in assisting several new office, retail, and industrial businesses within the RDA boundaries.

The City welcomed many new businesses during the fiscal year. Several notable additions and/or expansions in fiscal year 2024, include the expansion of Salt Lake City Motor Cars, the expansion of Strider Technologies, the addition of Western States Lodging & Management, Kum & Go, Umpqua Bank Corporation, and Solium Capital.

The City's success in recruiting a diverse commercial base demonstrates the City's dedication to the establishment of long-term, sustained economic growth. The City will continue to encourage development using redevelopment areas. The City has used tax abatements to attract and encourage expansion by businesses, in accordance with local and state laws. The City does not have a formal policy for tax abatements, but looks at each situation focusing on what is best for the City. The City's current abatements are largely used to reimburse a portion of the cost for putting in infrastructure, although there are several other abatements for taxes (largely sales tax). More information can be found in the notes section of this report (Note 16 pages 107-109) or from the City's redevelopment agency. The City publishes an annual RDA report that can be found on the City's website which provides additional information regarding each project area including an economic update, abatement information, a project summary, and benefits of each project area (<https://www.sjc.utah.gov/319/Economic-Development>).

FINANCIAL INFORMATION

South Jordan's financial statements reflect the rapid growth of the City. As in previous years, the City has been able to maintain reserve funds in excess of the minimum required by State code. From fiscal year 2017 to 2024, the City's governmental funds revenues increased from \$67,484,235 to \$102,197,776. For fiscal year 2024 revenues decreased slightly by \$39,940 over 2023. Expenditures increased from \$79,395,610 to \$96,175,596, increasing slightly when compared to 2023 expenditures. Growth in proprietary fund revenue and expenses increased during this period. Proprietary fund operating revenues increased from \$29,624,632 to \$32,818,355, while operating expenses rose from \$29,011,865 to \$31,778,716.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring an adequate internal control structure and for documenting compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations. The audit for the fiscal year ended June 30, 2024, disclosed no instances of internal control weaknesses.

The City's budget serves as the foundation for its financial planning and control. The City's Chief Financial Officer/Budget Officer, in conjunction with City staff, Mayor, and City Council, prepares a proposed annual budget which is presented to the City Council for review no later than the first council meeting in May. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget prior to June 30, unless the City proposes a property tax rate in excess of its certified tax rate. In that case, a tentative budget is adopted and is in force until a public hearing is held to approve the increase.

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers of appropriations between funds or increases in revenues require the approval of the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level where expenditures cannot legally exceed the appropriated amount) is at the department level within the General Fund and the fund level for all other funds.

As demonstrated by the statement included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Gilbert & Stewart was selected by the City's Audit Committee to perform this audit. This audit was designed to meet the requirements set forth in the Utah state statutes. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the financial statements is included in the financial section of this report. The fiscal year 2024 audit disclosed no material deficiencies or issues of compliance. A single audit was not performed since the City did not expend \$750,000 or more in federal funds in fiscal year 2024.

Audit Committee

The City's Audit Committee consists of the Mayor and two council members appointed by the City Council. The Audit Committee selects the City's independent auditor and meets with the auditor before and after completion of the City's annual audit to discuss the results. The Audit Committee also works with City's selected internal auditor to set the audit schedule and areas of focus for the internal auditor and to discuss the results.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of South Jordan for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 38th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of South Jordan for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

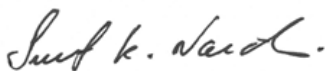
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City of South Jordan has received a Popular Award for the last nine consecutive years. The City will be preparing a Popular Annual Financial Report this year and we will be submitting it to GFOA to determine its eligibility for another award.

Acknowledgments

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

The preparation of the Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the City staff. We would like to express our appreciation to them and other personnel from various agencies and authorities who assisted in its preparation.

Respectfully submitted,



Sunil K. Naidu
Chief Financial Officer/Budget Officer



Dustin Lewis
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of South Jordan
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

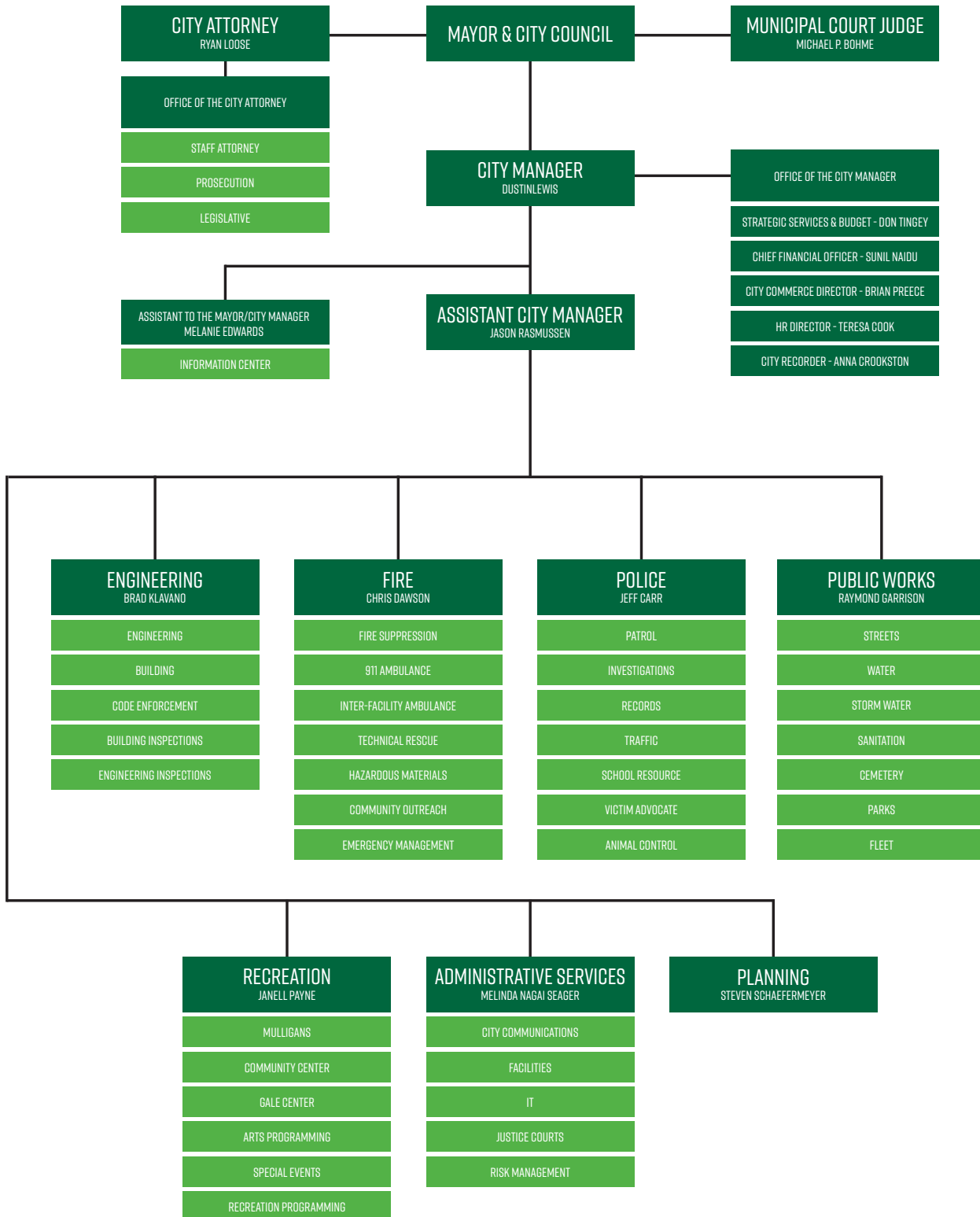
June 30, 2023

Christopher P. Morill

Executive Director/CEO

SOUTH JORDAN CITY

ORGANIZATIONAL STRUCTURE



City of South Jordan, Utah
 List of Elected and Appointed Officials
 As of June 30, 2024

Elected Officials:



Mayor Dawn R. Ramsey, Council Member Patrick Harris,
 Council Member Kathie L. Johnson, Council Member Donald J. Shelton,
 Council Member Tamara Zander, Council Member Jason T. McGuire

Appointed Officials:

- Dustin Lewis City Manager
- Jason Rasmussen..... Assistant City Manager
- Ryan Loose City Attorney
- Michael Boehm Municipal Court Judge
- Sunil K. Naidu Chief Financial Officer/Budget Officer
- Chip Dawson City Treasurer
- Anna Crookston..... City Recorder

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FINANCIAL SECTION

Independent Auditor's Report



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, as of June 30, 2024 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of South Jordan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of South Jordan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

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standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 South Jordan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Jordan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining statements, budgetary comparisons, and schedule as 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, budgetary comparisons, and schedule of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

Provo, Utah

December 31, 2024

CITY OF SOUTH JORDAN, UTAH MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Jordan, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 2 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$678,181,561 (net position). Of this amount, \$216,617,660 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position of the City of South Jordan increased by \$25,224,997. Government activities had an increase in net position of \$18,677,853 mainly due to increased revenue from the gain on disposal of capital assets, state appropriated funds, donated infrastructure, and better-than-expected revenues and program expenses. Business-type activities provided a \$6,547,144 increase to the City's net position, primarily due to increased non-operating revenues from the sale of capital assets and investment earnings, and increased equity investment in the Trans Jordan Landfill.
- As of the close of fiscal year 2024, the City's governmental funds reported combined ending fund balances of \$151,512,731, an increase of \$6,004,169 (4.1 percent). The City saw decreased revenues by \$39,940 in the City's governmental funds when compared to 2023 largely due to decreased revenues from taxes (\$8,279,067) and increased intergovernmental revenue (\$4,391,204). The City also had increased expenditures by \$17,892,273 when compared to 2023.
- At the end of fiscal year 2024, unassigned fund balance of the General Fund was \$19,183,364, or 33 percent of General Fund expenditures (excluding other financing uses). Utah state law allows any balance in excess of 5 percent of the total revenues to be utilized for budget purposes. The maximum fund balance allowed was updated in fiscal year 2021 by the state legislature to allow up to 35 percent of next fiscal year's estimated revenues to be unassigned. The City's General Fund unassigned fund balance is currently at 29 percent of next year's budgeted revenues.
- The City's total long-term obligations (excluding net pension liability) decreased by \$6,390,792 (8.0 percent). This is largely due to the City making its scheduled principal bond repayments (\$5,460,000). Total long-term debt for governmental activities decreased \$4,067,142 in fiscal year 2024 largely due to the City making its scheduled principal bond repayments (\$3,959,594).

- At the end of fiscal year 2024, the City recognized a total net pension asset of \$1,757,000 (decrease of \$148,894 from fiscal year 2023) and a total net pension liability of \$5,811,135 (increase of \$1,604,441 from fiscal year 2023). Much of the decrease in pension assets and increase in pension liability is due to investment losses from the tough economic and investment climate of 2023. More information regarding the City's retirement plans can be found in Note 11, which begins on page 88 and in the Required Supplementary Information, beginning on page 111.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, development services, public works, recreation, and public safety. The business-type activities of the City include water, sanitation, and Mulligans Golf & Games (Mulligans).

The government-wide financial statements can be found on pages 37-38 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

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

Governmental funds report the difference between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. *Nonspendable* balances include inventories 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 note payable 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, 2024, the City's combined governmental fund balance is \$151,512,731 (\$38,250 in nonspendable, \$24,295,145 in restricted, \$107,995,973 in assigned, and \$19,183,364 in unassigned fund balances). Additional detail regarding governmental fund balances can be found in Note 1, paragraph 10 starting on page 58 of this report.

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets readily convertible to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements.

The City maintains the following nine individual governmental funds:

- General
- Redevelopment Agency (RDA)
- Capital Projects
- Storm Drain
- Community Development Block Grant (CDBG)
- Fitness Center
- Debt Service
- Municipal Building Authority (MBA)
- Interfacility Ambulance

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Redevelopment Agency, Capital Projects, and Debt Service funds, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 40-41 of this report.

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

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sanitation Funds, which are considered major funds. Data from the other proprietary fund(s) (Mulligans) are displayed on the proprietary fund financial statements in a separate column identified as a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 44-46 of this report.

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

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

The fiduciary fund financial statements can be found on pages 48-49 of this report.

Notes to the Financial Statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 51 of this report.

Required Supplementary Information (RSI) – This section contains budget to actual comparison statements for the City’s General Fund as well as its only major special revenue fund, which is the RDA. This section also contains required supplementary information for the City’s pension program. The RSI section begins on page 111 of this report.

Other Information – In addition to the abovementioned statements and reports, this report also presents other supplementary information and a statistical section, which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City’s nonmajor funds, as well as budget to actual statements for major funds not reported as RSI. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 119, and the statistical section begins on page 131 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of South Jordan, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$678,181,561 as of June 30, 2024.

By far the largest portion of the City’s net position (65.3 percent) reflects its investments in capital assets (e.g., land, water shares, buildings and structure, machinery and equipment, improvements, construction in progress, and right of way), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City’s investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City’s net position:

CITY OF SOUTH JORDAN

Summary of Net Position

For the Year Ended June 30, 2024

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and Other Assets | \$ 229,931,082 | \$ 223,828,119 | \$ 59,925,653 | \$ 56,299,822 | \$ 289,856,735 | \$ 280,127,941 |
| Net Pension Asset | 1,757,000 | 1,905,894 | - | - | 1,757,000 | 1,905,894 |
| Capital Assets | 355,822,471 | 346,733,335 | 149,824,272 | 150,009,343 | 505,646,743 | 496,742,678 |
| Total Assets | 587,510,554 | 572,467,348 | 209,749,926 | 206,309,165 | 797,260,480 | 778,776,513 |
| Total Deferred Outflows of Resources | 9,015,911 | 6,821,586 | 1,408,413 | 420,927 | 10,424,324 | 7,242,513 |
| Long-Term Debt Outstanding | 73,079,455 | 77,146,595 | 313,243 | 2,636,895 | 73,392,698 | 79,783,490 |
| Net Pension Liability | 5,811,135 | 4,206,694 | 304,423 | 197,751 | 6,115,558 | 4,404,445.00 |
| Other Liabilities | 15,125,604 | 12,279,595 | 4,762,795 | 4,613,633 | 19,888,399 | 16,893,228 |
| Total Liabilities | 94,016,194 | 93,632,884 | 5,380,462 | 7,448,279 | 99,396,656 | 101,081,163 |
| Total Deferred Inflows of Resources | 30,057,820 | 30,766,164 | 48,767 | 12,305 | 30,106,587 | 30,778,469 |
| Net Investment in Capital Assets | 286,119,759 | 282,676,062 | 148,153,432 | 146,498,568 | 434,273,191 | 429,174,630 |
| Restricted | 26,052,145 | 34,917,143 | 1,238,565 | 2,908,193 | 27,290,710 | 37,825,336 |
| Unrestricted | 160,280,548 | 137,296,681 | 56,337,112 | 49,862,747 | 216,617,660 | 187,159,428 |
| Total Net Position | \$ 472,452,452 | \$ 454,889,886 | \$ 205,729,109 | \$ 199,269,508 | \$ 678,181,561 | \$ 654,159,394 |

An additional portion of the City’s net position (4.0 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of \$216,617,660 is considered unrestricted net position, which may be used to meet the government’s ongoing obligations to citizens and creditors.

As of June 30, 2024, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as, for its separate governmental-type activities. Positive balances for all three categories are also reported for the Water, Sanitation, and Mulligans Funds.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2024:

CITY OF SOUTH JORDAN
Summary of Changes in Net Position
For the Period Ended June 30, 2024

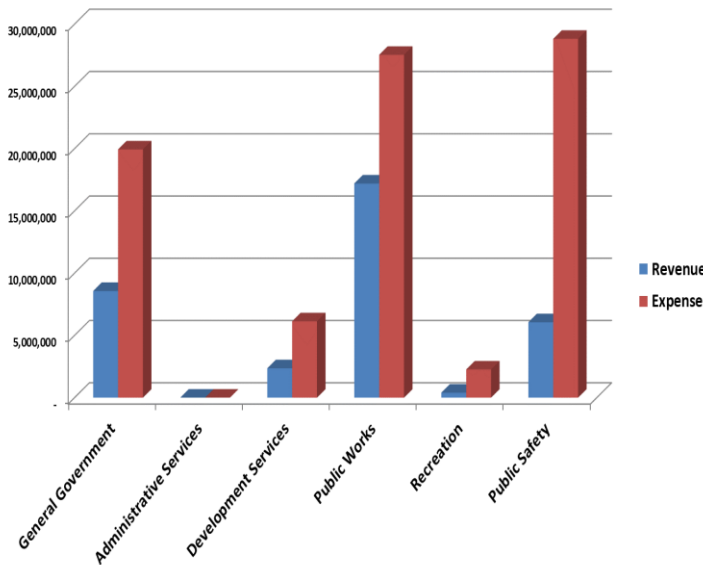
| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for Services | \$ 23,052,921 | \$ 20,930,295 | \$ 33,915,744 | \$ 30,350,188 | \$ 56,968,665 | \$ 51,280,483 |
| Operating Grants and Contributions | 6,501,502 | 4,268,508 | 158,873 | 277,756 | 6,660,375 | 4,546,264 |
| Capital Grants and Contributions | 5,048,628 | 8,781,966 | 384,870 | 2,259,747 | 5,433,498 | 11,041,713 |
| General Revenues: | | | | | | |
| Property Taxes | 20,625,213 | 27,273,334 | - | - | 20,625,213 | 27,273,334 |
| Sales and Use Tax | 24,168,573 | 23,441,152 | - | - | 24,168,573 | 23,441,152 |
| Other Taxes | 7,922,287 | 10,159,621 | - | - | 7,922,287 | 10,159,621 |
| Other | 19,001,013 | 13,033,605 | 2,569,843 | 1,650,090 | 21,570,856 | 14,683,695 |
| Total Revenues | 106,320,137 | 107,888,481 | 37,029,330 | 34,537,781 | 143,349,467 | 142,426,262 |
| Expenses: | | | | | | |
| General Government | 19,940,078 | 22,163,294 | - | - | 19,940,078 | 22,163,294 |
| Development Services | 6,132,504 | 5,364,271 | - | - | 6,132,504 | 5,364,271 |
| Public Works | 27,534,575 | 23,612,585 | - | - | 27,534,575 | 23,612,585 |
| Recreation | 2,263,785 | 3,215,199 | - | - | 2,263,785 | 3,215,199 |
| Public Safety | 28,818,291 | 24,678,610 | - | - | 28,818,291 | 24,678,610 |
| Interest on Long-Term Debt | 2,283,208 | 2,251,146 | - | - | 2,283,208 | 2,251,146 |
| Water | - | - | 23,316,479 | 21,756,715 | 23,316,479 | 21,756,715 |
| Sanitation | - | - | 5,698,608 | 5,411,796 | 5,698,608 | 5,411,796 |
| Mulligans | - | - | 1,631,680 | 1,795,837 | 1,631,680 | 1,795,837 |
| Internal Service Fund | - | - | 830,510 | - | 830,510 | - |
| Total Expenses | 86,972,441 | 81,285,105 | 31,477,277 | 28,964,348 | 118,449,718 | 110,249,453 |
| Gain on Sale of Capital Assets | 325,249 | 16,004,265 | - | - | 325,249 | 16,004,265 |
| Increase (Decrease) in Net Position Before Transfers | 19,672,945 | 42,607,641 | 5,552,053 | 5,573,433 | 25,224,998 | 48,181,074 |
| Transfers | (995,091) | 21,909 | 995,091 | (21,909) | - | - |
| Increase in Net Position | 18,677,854 | 42,629,550 | 6,547,144 | 5,551,524 | 25,224,998 | 48,181,074 |
| Net Position - Beginning | 453,774,599 | 412,260,336 | 199,181,965 | 193,717,984 | 652,956,564 | 605,978,320 |
| Net Position - Ending | \$ 472,452,452 | \$ 454,889,886 | \$ 205,729,109 | \$ 199,269,508 | \$ 678,181,561 | \$ 654,159,394 |

Governmental Activities – Governmental activities increased the City's net position by \$18,677,854. Key elements affecting governmental activities net position are as follows:

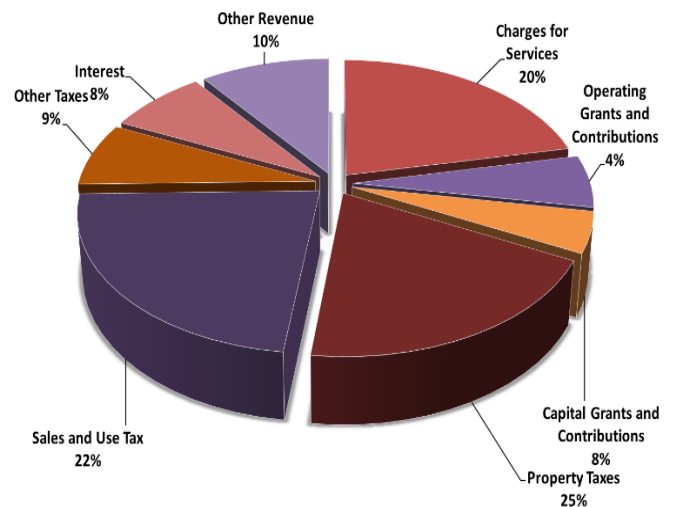
- As of June 30, 2024, the City's governmental activities net position was \$472,452,452, which was an increase of \$18,677,854 over the prior year's net position of \$453,774,599. This is largely attributed to increased revenues from one-time pass through revenue received (\$10,793,278), and increased investment earnings (\$8,207,735).
- In fiscal year 2024, the City's governmental activities expenses increased \$5,687,336 over fiscal year 2023. This increase largely comes from increased salaries and benefits (\$5,023,066) from additional positions and salary increases meant to retain and attract talented workers. The City also experienced increased costs for services, supplies, and maintenance due to inflation and rising consumer prices.

- Total governmental revenues decreased by \$1,568,344 from fiscal year 2023. Operating and Capital grant revenues decreased when compared to fiscal year 2023 largely from decreased federal grants received and decreased donated assets (1,500,344). Tax revenue decreased compared to fiscal year 2023 largely from decreased property tax revenue (\$6,648,121), increased sales tax revenue (\$727,421), and decreased energy sales and use tax (\$2,237,334).
- The City’s governmental funds received \$940,917 in impact fee revenue during the fiscal year. This is a decrease of \$106,574 compared to fiscal year 2023, which is largely due to slower growth compared to fiscal year 2023 from uncertainty surrounding the current economic and housing environment. Impact fee revenue is not typically spent in the year received, instead it is budgeted for projects in future years.
- During fiscal year 2024, the City’s governmental funds completed \$6,442,177 of capital projects, which includes \$4,587,749 of projects that began in prior years. Projects totaling \$12,932,580 were in progress at year end. The most significant projects completed during the year include \$4,466,071 for Heritage Park, new and replacement pipeline purchases (\$943,033), and \$581,548 in citywide park improvements. Donated assets include \$2,023,336 in donated roads, \$437,289 in donated sidewalks, \$1,616,691 in donated storm drain, \$512,117 in donated curb and gutter, and \$459,194 in streetlights.

Program Revenues & Expenses
Governmental Activities
Fiscal Year 2024

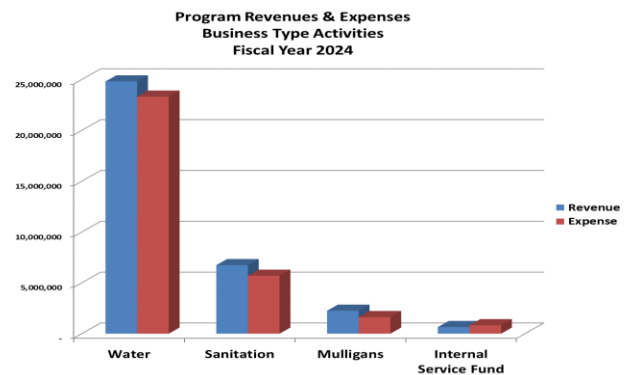
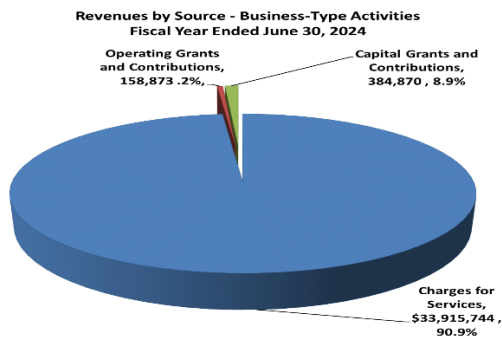


Revenues by Source - Governmental Activities
Fiscal Year Ended June 30, 2024



Business-Type Activities – Business-type activities increased the City’s net position by \$5,811,521, which represents an increase of \$259,997 over the previous year’s change. Key elements of the change in business-type net position are as follows:

- During fiscal year 2024, the City’s business-type activities completed \$3,668,863 in capital projects and \$5,569,189 of projects were in progress at year end. Notable completed projects are \$3,668,863 in transit pipe replacement. In addition, \$2,021,614 of donated water lines were capitalized during the fiscal year.
- Water fund operating revenues were more than prior year revenues by \$1,646,869. Cost of service expenses increased by \$1,812,742 largely from increased water purchases (\$1,478,339). Non-operating revenues increased by \$931,695 largely from increased interest earnings from rising interest rates (\$823,443) and a gain on the sale of a capital asset (\$77,125). The City recorded \$384,870 of impact fee revenue was received. The City does not typically spend current year impact fee revenue in the year collected. Collections are used for future impact fee eligible projects.
- The sanitation fund experienced an increase in net position of \$1,276,945. This increase is due to larger than anticipated interest earnings (\$236,241) and an increase in joint venture (\$1,097,389). Sanitation operating expenses increased by \$327,012 compared to fiscal year 2023. This increase largely comes from increased personnel costs (\$53,017) and rising collection fees (\$268,101) from growth and rising costs.
- Mulligans operating revenues increased by \$528,453 when compared to the prior fiscal year, while fund operating expenses were \$170,800 lower than the prior year. The decrease in expenses is attributed to decreased utility costs (\$29,452) and decreased facility and equipment costs (\$35,025). The Mulligans fund increased overall net position by \$689,126 largely from operating expenses exceeding operating and non-operating revenues.
- In fiscal year 2024 the city created an Internal Service Fund. At the end of fiscal year 2024 the Internal Service Fund had a net position of \$821,817. During the year the Internal Service Fund operating expenses exceed operating revenue by \$177,538.



FUND FINANCIAL ANALYSIS

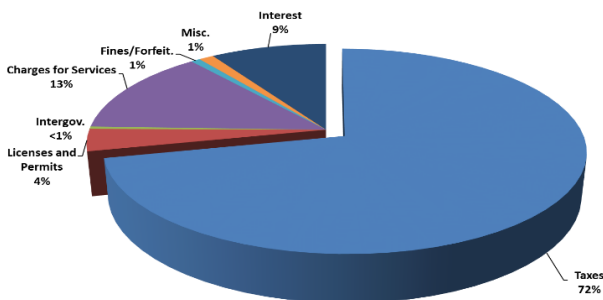
Governmental Funds - The focus of the City’s governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful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

The City’s governmental funds (General, RDA, Capital Projects, Debt Service, and Nonmajor Funds) reported combined fund balances of \$151,512,731. This represents an increase of \$6,004,169 from last year’s ending balances. Of the total fund balance, \$19,183,364 (12.7 percent) constitutes *unassigned fund balance* and therefore available for spending at the City’s discretion. *Assigned fund* balance totals \$107,995,973 (71.3 percent), meaning the City intends to use this amount for specific purposes (debt service, redevelopment agency (RDA), capital projects, storm drain projects, interfacility ambulance services, and municipal building authority (MBA)). Fund balance of \$24,295,145 (16 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for capital projects, debt service, public safety, and equipment. The City also has inventory of \$38,250, which is classified as *nonspendable* fund balance.

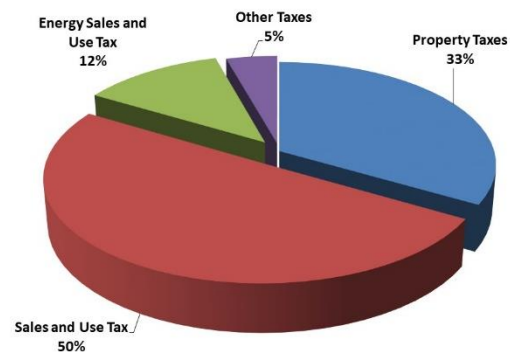
General Fund

The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures, are accounted for in this fund. Revenues exceeded expenditures (excluding other financing sources and uses) in the General Fund by \$10,620,195 during the year. This was largely due to increased tax revenue (\$1,093,788) and interest earnings (\$2,222,681) when compared to the prior year. In addition, the City’s expenditures were less than expected, coming in under budget by \$4,377,241. In fiscal year 2024, the City saw increased investment earnings (\$2,222,681), property taxes (\$476,401), and increased sales and use taxes (\$727,421) compared to fiscal year 2023. The growth in taxes comes from a passed increase in property tax from fiscal year 2023 and a growing population. The City also received larger than anticipated investment earnings, largely from increased interest rates. The City saw increased ambulance fees charged compared to 2023, largely from the City setting up a special revenue fund for interfacility ambulance service charges, which split out the revenue collected.

Fiscal Year 2024 General Fund Revenue by Source

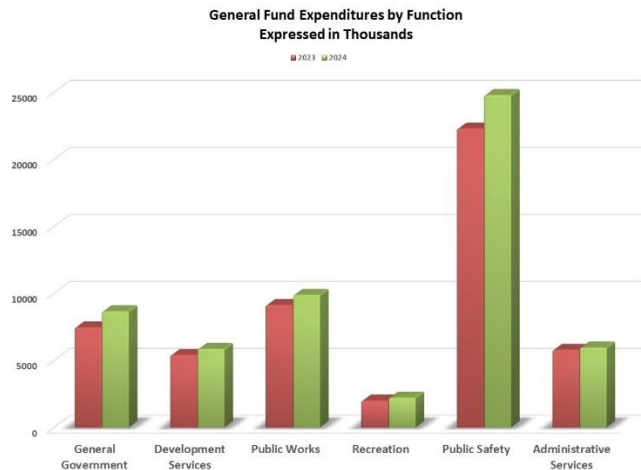


Fiscal Year 2024 General Fund Tax Revenue by Type



The General Fund transferred \$9,166,944 to the other funds during the fiscal year. Of these transfers, approximately \$3,000,000 is considered discretionary. The City Council will authorize uses of those discretionary funds in fiscal year 2025 for future capital projects. Taxes continue to be the largest source of revenue in the General Fund and represent 71.6 percent of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 50.2 percent of total tax revenues and 35.9 percent of total General Fund revenues. This compares with 36.6 percent of total General Fund revenues in the prior fiscal year ended June 30, 2023.

General Fund expenditures increased during fiscal year 2024 going from \$52,688,846,706 in 2023 to \$57,724,685 in 2024. This increase is largely from increased payroll and benefit expenditures for the City (\$5,023,066). In fiscal year 2024, the following functions saw increased expenditures when compared to the prior fiscal year: general government (\$1,203,232), recreation programs (\$223,776), development services (\$453,761), public works (\$754,649), and public safety (\$2,508,770). In fiscal year 2024, the City provided a 4% cost-of-living adjustment (COLA), a 4% merit increase to eligible employees, and merit eligible sworn employees received a 3% step increase consistent with the City’s step plan. The fire department also received a pay scale adjustment of 5%. These increases were meant to help retain the City’s current staff and help attract top-tier talent. In addition, the City budgeted to add 6 additional full-time employees in fiscal year 2024. The City saw an increase of \$5,023,066 in payroll and benefit expenditures in fiscal year 2024 compared to 2023. This is largely due to the prior year cost-of-living adjustments (COLA), merit increase, additional employees added, and reclassifications of current positions.



Other Governmental Funds

Highlights from the City’s other governmental funds show indicators of a growing city and stable local economy. During fiscal year 2024, property tax collections from redevelopment areas decreased by 80.3 percent to a total of \$2,312,135 during the same period. The RDA fund balance increased \$6,536,729 to a total of \$33,103,202. This increase in fund balance is largely attributable to increased investment revenue, and increased intergovernmental revenue. Decreased tax collections are largely from the completion of a redevelopment area in the prior fiscal year and decrease in commercial property values, especially office buildings, which has been a trend nationally.

Fund balance in the Debt Service Fund increased \$4,726,724 (127.4 percent) during fiscal year 2024 to \$8,435,503. Total payments for debt service in the Debt Service Fund decreased \$722,607 (9.9 percent). This decrease was largely due to decreased expenditures for principal and interest payments. The City received more special assessment revenue by \$726,293 compared to fiscal year 2023. This increase is from increased prepayments from owners within the special assessment area when compared to the prior fiscal year. The remaining fund balance will be used to make future debt service payments and repay the City for costs associated with the 2016 Special Assessment Bond.

Fund balance in the Capital Projects Fund decreased \$6,955,943 from \$92,722,875 to \$85,766,932. This decrease is largely attributable to a decrease in intergovernmental revenues (6,806,555). The City's expenditures increased compared to 2023 largely from increased capital outlay for roads and bridges (9,081,255) in fiscal year 2024. Assigned fund balance increased \$1,774,771 (2.9 percent) to \$63,507,303. This increase is largely attributable to a year end transfer from the General Fund (\$4,818,553) that will be used to fund future capital projects. Of this amount, approximately \$3,000,000 is awaiting official action from the City Council in fiscal year 2024 regarding future use. A total of \$12,115,973 was spent on capital projects during the fiscal year. The City has current equipment and construction commitments of \$16,814,032 relating to Capital Project Fund, which are not expected to affect the fund resources available for future use.

Storm Drain revenue was \$94,553 above expectations during fiscal year 2024 mainly due to increased residential and commercial development. In addition, Storm Drain expenditures were down \$186,090 compared to budget, but increased \$223,190 compared to fiscal year 2023. This increase was largely due to capital equipment purchased (\$183,413) and increased salary and wages (\$20,205). The Storm Drain Fund had a transfer out of \$912,941, of which \$910,000 was transferred to the Capital Project Fund for Storm Drain capital projects. These factors led to an increase in Storm Drain Fund balance of \$310,780 (30.2 percent increase). The remaining fund balance will be used to comply with federal storm water mandates, complete projects started in prior years, and improve the City's storm drain system.

The Interfacility Ambulance fund received \$2,754,833 in revenues in fiscal year 2024, which was \$554,833 more than budgeted. This increase came from larger than expected need for services and investment earnings. Interfacility expenditures in fiscal year 2024 were \$865,128, which were \$224,166 less than budgeted. The Interfacility Ambulance Fund had a transfer out of \$1,855,000 to the debt service fund for its portion of debt service payments. The remaining fund balance of \$2,084,659 will be used to purchase and replace additional equipment and expand service offerings.

Fund balance in the Fitness Center Fund decreased from 1,165,726 to 143,080. This decrease was due to a transfer to the Capital Projects fund of 1,022,646. The remaining fund balance will be used for future recreation capital projects.

Fund balance in the Municipal Building Authority fund decreased by 352,436 during the fiscal year. This is due to investment earnings (2,248) and a transfer out to the Debt Service fund (354,684). The City paid off the 2011 Municipal Building Authority Lease Revenue Bonds in fiscal year 2022. The remaining fund balance will be used for future debt service payments.

Enterprise Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. In summary, unrestricted net position increased from \$38,285,162 to \$42,104,104 in the Water Fund, increased from \$793,460 to \$1,627,345 in the Mulligans Fund, and increased from \$10,784,125 to \$11,783,846 in the Sanitation Fund.

Water rates were adjusted in prior years to keep pace with the City's increased cost to purchase water and to fund capital projects. The City purchases all of its wholesale water from the Jordan Valley Water Conservancy District (JVWCD). During fiscal year 2018, a water rate study was completed which determined the current rates and billing structure needed to be updated. In December 2018, the City implemented its new water rate structure, which decreased the base water rates while implementing a new consumption rate structure that encourages conservation.

During fiscal year 2024, a total of \$5,871,369 of capital assets were added (not including \$4,107,971 of work in progress outstanding at fiscal year-end). The Water Fund decreased its overall liabilities by \$2,185,894; most of this comes from decreased noncurrent liabilities from paying its regularly scheduled debt service payments. The City paid off its 2017 Water Revenue and Refunding bond in fiscal year 2024. The Water Fund has current construction commitments of \$21,239,418 relating to Water Fund capital projects. The water fund collected more operating revenue in fiscal year 2024 by \$1,646,869 largely due to pledged revenues. Pledged revenues increased in fiscal year 2024 by \$1,684,858 largely from increased charges for water due to growth. The increase in unrestricted net position for the Water Fund is mainly due to increased investment earnings (\$823,443) and an increase in gain on the sale of capital assets (\$112,867). The City also received \$384,870 in impact fee revenue in fiscal year 2024. The City does not typically budget or expend impact fee revenue in the year received.

Charges for sanitation are evaluated each year and adjusted based on the cost to contract out waste pickup services and to fund operational and capital purchases. The City contracts with Ace Recycling and Disposal to pick up both garbage and recycling cans on a weekly basis. The City is responsible for providing and replacing garbage and recycling cans.

Sanitation unrestricted fund balance increased \$999,721 due to its portion of the Trans-Jordan Landfill's increase in net position (\$1,097,389) and greater than anticipated investment earnings (\$236,241), largely due to increased interest rates in the fiscal year. The Sanitation fund added \$230,247 in capital assets. Sanitation had \$0 in current constructions commitment related to Sanitation capital projects.

Mulligans unrestricted fund balance increased \$833,885 due to decreased cost of operations compared to prior year (\$138,590) and increase revenues (\$531,698). During fiscal year 2024, saw a decrease in capital assets \$101,769 (not including \$813,138 in work in progress outstanding). Mulligans had \$333,121 in current equipment and project commitments related to Mulligans capital projects.

The newly created Internal Service Fund had an ending unrestricted fund balance of \$821,817. This is due mainly to a transfer from the general capital improvement fund (1,000,000).

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget total of \$60,560,793 to a final budget total of \$62,101,926 (\$1,541,133 difference). All departments monitor their budgets closely and are required to stay within their allotment. Budget adjustments made during the year can be summarized as follows:

- The General Government budget increased by \$766,876. This is largely due to operational expenditures that were not anticipated in the initial fiscal 2024 budget.
- The Administrative Services budget increased by \$169,200. This is largely due to operational expenditures that were not anticipated in the initial fiscal 2024 budget.
- Public Works budget increased by \$76,805. This is largely due to operational expenditures that were not anticipated in the initial fiscal 2024 budget.
- The Public Safety budget increased by \$486,050. This adjustment is largely from funds carried over from the prior fiscal year for equipment, liquor tax and federal forfeiture funds (\$275,857). In addition, adjustments were made for operational expenditures that were not anticipated in the initial fiscal 2024 budget (\$257,443).

General Fund budgeted revenues were amended from \$64,450,564 to \$64,893,757 (an increase of \$443,193 or 1 percent). Highlights of this increase include:

- Investment earning revenue was increased by \$250,000. This adjustment was to account for increased interest rates that were not anticipated in the initial fiscal 2024 budget.
- Ambulance revenue was increased by \$158,000. This adjustment was to account for increased need for ambulance services that were not anticipated in the initial fiscal 2024 budget.
- State Grants was increased by \$34,693 due to risk revenue received that was not anticipated in the initial fiscal 2024 budget.

During the year, actual revenues were more than budgeted revenues by \$2,335,835. Actual expenditures were less than budgeted expenditures by \$4,377,240. This surplus was combined with reductions in other types of fund balance sources and the amount of \$4,812,958 was transferred to the Capital Projects Fund, of which, approximately \$3,000,000 is discretionary. During fiscal year 2025, official action by the City Council will determine how these discretionary funds will be used.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City of South Jordan's investment in capital assets for its governmental and business-type activities as of June 30, 2024, amounts to \$505,646,743 (net of accumulated depreciation). This investment in capital assets includes land, water shares, buildings, improvements, machinery and equipment, construction in progress, and right-of-way. The total increase in the City's investment in capital assets for the current year was 1.7 percent (a 2.6 percent increase for governmental activities and a 0.12 percent decrease for business-type activities).

CITY OF SOUTH JORDAN

Capital Assets, Net of Depreciation

June 30, 2024

| | Governmental activities | | Business-type activities | | Total | |
|---------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 102,696,297 | \$ 100,252,076 | \$ 12,556,042 | \$ 12,556,043 | \$ 115,252,339 | \$ 112,808,119 |
| Water Shares | - | - | 18,961,482 | 18,961,482 | 18,961,482 | 18,961,482 |
| Buildings | 32,896,338 | 34,018,530 | 266,646 | 315,760 | 33,162,984 | 34,334,290 |
| Right-to-Use Building | - | 101,089 | - | - | - | 101,089 |
| Improvements | 185,120,485 | 184,085,078 | 108,971,664 | 107,457,572 | 294,092,149 | 291,542,650 |
| Machinery and Equip. | 13,637,494 | 9,985,000 | 3,499,249 | 4,273,290 | 17,136,743 | 14,258,290 |
| Right-to-Use Equipment | - | 218,925 | - | 14,798 | - | 233,723 |
| Right-to-Use Subscription | 202,888 | 572,944 | - | - | 202,888 | 572,944 |
| Const. in Progress | 12,932,580 | 9,163,304 | 5,569,189 | 6,430,398 | 18,501,769 | 15,593,702 |
| Right of Way | 8,336,389 | 8,336,389 | - | - | 8,336,389 | 8,336,389 |
| Total Capital Assets | \$ 355,822,471 | \$ 346,733,335 | \$ 149,824,272 | \$ 150,009,343 | \$ 505,646,743 | \$ 496,742,678 |

Major capital asset events during fiscal year 2024 include the following:

- A total of \$7,070,242 in contributed infrastructure assets including \$459,194 in street lights, \$2,023,336 in donated roads, \$512,117 in curb and gutter, \$437,289 in sidewalk, \$1,616,691 in donated storm drain infrastructure, and \$2,021,614 in water lines.
- During fiscal year 2024, the City added the following major assets: \$4,466,071 for Heritage Park, \$3,668,863 on water transite pipe replacement, and \$943,033 for work on new and existing pipelines.
- During the year, the City spent \$10,111,040 (excluding donated infrastructure) on projects such as construction of new and/or extension of roads, improvements to park projects, storm drain improvements, land purchases, and general vehicles and equipment. Of this total, \$9,225,188 was spent on projects still in progress at fiscal year-end.
- As of June 30, 2024, the City had outstanding construction commitments of \$35,911,836 for unfinished projects and \$3,762,927 for equipment and projects.

Additional information on the City's capital assets can be found in Note 7 on page 75-78 of this report.

Long-Term Debt - As of June 30, 2024, the City had a total long-term bonded debt outstanding of \$53,395,000. The entirety of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

CITY OF SOUTH JORDAN
Outstanding Long-Term Bonded Debt (Expressed in Thousands)
 June 30, 2024

| | Governmental activities | | Business-type activities | | Total | |
|------------------------------|-------------------------|-----------|--------------------------|----------|-----------|-----------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Special Assessment Debt | | | | | | |
| With Governmental Commitment | \$ 16,565 | \$ 17,780 | \$ - | \$ - | \$ 16,565 | \$ 17,780 |
| Revenue Bonds | 36,830 | 38,905 | - | 2,170 | 36,830 | 41,075 |
| Total bonded debt | \$ 53,395 | \$ 56,685 | \$ - | \$ 2,170 | \$ 53,395 | \$ 58,855 |

The City’s total bonded debt outstanding decreased \$5,460,000 over the prior fiscal year. This decrease was due to the City making its regularly scheduled debt service payments. The City made \$5,460,000 in principal payments during fiscal year 2024. The City’s overall long-term debt decreased by \$6,415,873 during the fiscal year (8 percent). This decrease is due to the City paying its scheduled principal payments (\$6,129,594). At the end of fiscal year 2024, the City’s total long term debt outstanding (from bonds and notes payables) was \$63,022,220.

The City currently has no general obligation debt. The most recent bond ratings issued for South Jordan include: the 2015 Subordinate Sales Tax and Tax Increment Bonds with a Standard & Poor’s rating of “AA-” and a Fitch rating of “AAA”; the Series 2016 Special Assessment Bonds with a Standard & Poor’s rating of “AA+”; Series 2017 Sales Tax Revenue Bonds, with a Standard & Poor’s rating of “AA” and a Fitch rating of “AAA”; Series 2017 Water Revenue Bonds, with a Standard & Poor’s rating of “AA” and a Fitch rating of “AAA”; the Series 2019 Sales Tax Revenue Bonds, with a Standard & Poor’s rating of “AAA” and a Fitch rating of “AAA”; all of the other remaining sales tax revenue bonds Fitch has rated were assigned “AAA” and assigned an implied “AAA” general obligation rating.

State statute limits the amount of general obligation debt a governmental entity may issue up to 8 percent of the “reasonable fair cash value” of property within the City. Of this percent, a maximum of 4 percent may be used for general purposes. The current limitation for the City is \$770,146,090, 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 is available for general purposes, up to the maximum of 8 percent. This may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that used for water, sewer and electrical projects is \$1,540,292,179, which again significantly exceeds the outstanding City-wide debt.

Additional information on the City’s long term-debt can be found in Note 10 on pages 82-87 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The 2024 unemployment rate for the City of South Jordan was 2.9 percent. This compares with a national unemployment rate of 4.1 percent. The 2023 unemployment rate for the City of South Jordan was 2.7 percent. (Source: Bureau of Labor Statistics.) The increase is below the national unemployment rate.
- General Fund budgeted revenues for the fiscal year ending June 30, 2025 (\$66,149,529) reflects an increase of 2.6 percent over the final budgeted revenues for the fiscal year ended June 30, 2024 (\$64,450,564). Most of this increase is due to increased budgeted property tax (\$1,504,347 compared to the prior year.
- The City continues its approach of budgeting conservatively to avoid revenue shortfalls. The City has seen increased sales tax revenue, despite the economic uncertainty from inflation and other factors. The City will continue to monitor revenues, especially sales tax revenues, and make adjustments as needed.
- General Fund expenditures in fiscal year 2025 are budgeted to be \$3,741,191 more than fiscal year 2024. The majority of this increase is due to increased personnel costs from new employees, increased health care premiums, and attempting to remain competitive through merit/cost-of-living adjustments.
- A number of fee schedule changes were approved in the 2024 budget. The most notable changes are increased water usage rates, storm drain fees, and garbage can fees from fee studies. In addition, the City changed its hydrant meter rental program to not charge a monthly administrative fee, but instead to charge it along with the usage rate, which increased the usage rate. Usage deposit and hydrant meter deposit amounts were increased due to rising costs for replacement parts and changes to usage.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of South Jordan's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of South Jordan, Finance Department, 1600 West Towne Center Drive, South Jordan, UT 84095 or call (801) 446-HELP.



BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

CITY OF SOUTH JORDAN
Statement of Net Position
June 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------|------------------------------|------------------------------|
| ASSETS | | | |
| <i>Current Assets:</i> | | | |
| Cash, Cash Equivalents, and Investments | \$ 155,876,840 | \$ 46,980,699 | \$ 202,857,540 |
| Restricted Cash | 1,691,650 | - | 1,691,650 |
| Receivables | 54,324,343 | 5,235,665 | 59,560,008 |
| Inventories | 38,250 | 290,088 | 328,338 |
| Investment in Joint Venture | 18,000,000 | 7,419,201 | 25,419,201 |
| Net Pension Asset | 1,757,000 | - | 1,757,000 |
| <i>Total Current Assets</i> | <u>231,688,084</u> | <u>59,925,653</u> | <u>291,613,737</u> |
| <i>Noncurrent Assets:</i> | | | |
| Capital Assets Net of Depreciation: | | | |
| Land | 102,696,297 | 12,556,042 | 115,252,339 |
| Water Shares | - | 18,961,482 | 18,961,482 |
| Buildings | 32,795,249 | 266,646 | 33,061,895 |
| Right-to-Use Building | 43,324 | - | 43,324 |
| Improvements | 185,120,485 | 107,734,471 | 292,854,956 |
| Machinery and Equipment | 12,983,215 | 4,736,442 | 17,719,657 |
| Right-to-Use Machinery and Equipment | 139,100 | - | 139,100 |
| Right-to-Use Subscription Asset | 775,832 | - | 775,832 |
| Construction in Progress | 12,932,580 | 5,569,189 | 18,501,769 |
| Right of Way | 8,336,389 | - | 8,336,389 |
| <i>Total Noncurrent Assets</i> | <u>355,822,471</u> | <u>149,824,272</u> | <u>505,646,743</u> |
| Total Assets | <u>587,510,555</u> | <u>209,749,926</u> | <u>797,260,481</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Resources Related to Pensions | 9,015,911 | 1,408,413 | 10,424,324 |
| Total Deferred Outflows of Resources | <u>9,015,911</u> | <u>1,408,413</u> | <u>10,424,324</u> |
| LIABILITIES | | | |
| <i>Current Liabilities:</i> | | | |
| Accounts Payable | 6,725,532 | 3,369,972 | 10,095,504 |
| Other Liabilities | 7,612,330 | 1,392,823 | 9,005,153 |
| Accrued Interest Payable | 787,742 | - | 787,742 |
| Current Portion of Long-Term Obligations | 8,739,743 | 268,893 | 9,008,636 |
| <i>Total Current Liabilities</i> | <u>23,865,347</u> | <u>5,031,689</u> | <u>28,897,036</u> |
| <i>Noncurrent Liabilities:</i> | | | |
| Noncurrent Portion of Long-Term Obligations | 64,339,712 | 44,350 | 64,384,062 |
| Net Pension Liability | 5,811,135 | 304,423 | 6,115,558 |
| Total Noncurrent Liabilities | <u>70,150,847</u> | <u>348,773</u> | <u>70,499,620</u> |
| Total Liabilities | <u>94,016,194</u> | <u>5,380,462</u> | <u>99,396,656</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred Revenue - Property Taxes | 28,695,768 | - | 28,695,768 |
| Deferred Revenue - Leases | 1,193,066 | - | 1,193,066 |
| Resources Related to Pensions | 168,986 | 48,767 | 217,753 |
| Total Deferred Inflows of Resources | <u>30,057,820</u> | <u>48,767</u> | <u>30,106,587</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 286,119,759 | 148,153,432 | 434,273,191 |
| Restricted For: | | | |
| Capital Improvements and Equipment | 14,319,540 | 411,952 | 14,731,492 |
| Transportation | 7,940,089 | - | 7,940,089 |
| Construction | - | - | - |
| Debt Service | 1,691,650 | - | 1,691,650 |
| Public Safety | 343,866 | - | 343,866 |
| Pension Assets | 1,757,000 | - | 1,757,000 |
| Water Facility | - | 826,613 | 826,613 |
| Unrestricted | 160,280,548 | 56,337,112 | 216,617,660 |
| Total Net Position | <u>\$ 472,452,452</u> | <u>\$ 205,729,109</u> | <u>\$ 678,181,561</u> |

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

CITY OF SOUTH JORDAN
Statement of Activities
For the Year Ended June 30, 2024

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Functions/Programs: | | | | | | | |
| Primary Government | | | | | | | |
| Governmental: | | | | | | | |
| General Government | \$ 19,940,078 | \$ 8,122,887 | \$ 448,473 | \$ - | \$ (11,368,718) | \$ - | \$ (11,368,718) |
| Development Services | 6,132,504 | 2,360,191 | - | - | \$ (3,772,313) | - | (3,772,313) |
| Public Works | 27,534,575 | 6,364,769 | 5,792,632 | 5,048,628 | \$ (10,328,546) | - | (10,328,546) |
| Recreation | 2,263,785 | 331,739 | 72,500 | - | \$ (1,859,546) | - | (1,859,546) |
| Public Safety | 28,818,291 | 5,873,335 | 187,897 | - | \$ (22,757,059) | - | (22,757,059) |
| Interest on Long-Term Debt | 2,283,208 | - | - | - | \$ (2,283,208) | - | (2,283,208) |
| Total Governmental Activities | \$ 86,972,441 | \$ 23,052,921 | \$ 6,501,502 | \$ 5,048,628 | \$ (52,369,391) | \$ - | \$ (52,369,391) |
| Business-type: | | | | | | | |
| Water | 23,316,479 | 24,267,821 | 158,873 | 384,870 | - | 1,495,085 | 1,495,085 |
| Sanitation | 5,698,608 | 6,739,584 | - | - | - | 1,040,976 | 1,040,976 |
| Mulligans | 1,631,680 | 2,255,367 | - | - | - | 623,687 | 623,687 |
| Internal Service Fund | 830,510 | 652,972 | - | - | - | (177,538) | (177,538) |
| Total Business-Type Activities | 31,477,276 | 33,915,744 | 158,873 | 384,870 | - | 2,982,210 | 2,982,210 |
| Total Primary Government | 118,449,717 | 56,968,665 | 6,660,375 | 5,433,498 | (52,369,391) | 2,982,210 | (49,387,181) |
| General Revenues: | | | | | | | |
| Property Taxes | | | | | 20,625,213 | - | 20,625,213 |
| Sales and Use Tax | | | | | 24,168,573 | - | 24,168,573 |
| Energy Sales and Use Tax | | | | | 5,825,501 | - | 5,825,501 |
| Other Taxes | | | | | 2,096,786 | - | 2,096,786 |
| Intergovernmental Pass-Through Tax | | | | | 10,793,278 | - | 10,793,278 |
| Gain on Disposition of Capital Assets | | | | | 325,249 | - | 325,249 |
| Investment Earnings | | | | | 8,207,735 | 2,569,843 | 10,777,578 |
| Transfers | | | | | (995,091) | 995,091 | - |
| Total General Revenues and Transfers | | | | | 71,047,244 | 3,564,934 | 74,612,178 |
| Change in Net Position | | | | | 18,677,853 | 6,547,144 | 25,224,997 |
| June 30, 2023, as previously stated | | | | | 454,889,886 | 199,269,508 | 654,159,394 |
| Implementation of GASB 101 (Note 10) | | | | | (1,115,287) | (87,543) | (1,202,830) |
| June 30, 2023, as restated | | | | | 453,774,599 | 199,181,965 | 652,956,564 |
| Net Position - June 30, 2024 | | | | | \$ 472,452,452 | \$ 205,729,109 | \$ 678,181,561 |

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund

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

Redevelopment Agency (RDA)

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

Capital Projects Fund

The Capital Projects Fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants, transfers from the General Fund, state road funds, local transportation tax, and interest earnings are the principal sources of funding for these projects.

Debt Service Fund

This fund is used to accumulate resources for and payment of bond principal and interest for governmental funds.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 120.



CITY OF SOUTH JORDAN

Balance Sheet

Governmental Funds

For the Year Ended June 30, 2024

| | General | Redevelopment Agency | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash, Cash Equivalents, and Investments | \$ 25,128,000 | \$ 33,111,257 | \$ 86,669,855 | \$ 8,321,450 | \$ 2,646,278 | \$ 155,876,840 |
| Restricted Cash | - | - | - | 1,691,650 | - | 1,691,650 |
| Receivables | 23,070,310 | 13,035,000 | 1,212,489 | 15,428,620 | 1,503,189 | 54,249,607 |
| Inventories | 38,250 | - | - | - | - | 38,250 |
| Due From Other Funds | - | - | - | - | 74,736 | 74,736 |
| Total Assets | <u>\$ 48,236,560</u> | <u>\$ 46,146,257</u> | <u>\$ 87,882,344</u> | <u>\$ 25,441,720</u> | <u>\$ 4,224,203</u> | <u>\$ 211,931,084</u> |
| LIABILITIES | | | | | | |
| Accounts Payable and Accrued Liabilities | 2,329,522 | 8,055 | 2,115,412 | 1,616,492 | 581,315 | 6,650,795 |
| Construction Bonds and Refunds | 7,612,330 | - | - | - | - | 7,612,330 |
| Due to Other Funds | - | - | - | - | 74,736 | 74,736 |
| Total Liabilities | <u>9,941,852</u> | <u>8,055</u> | <u>2,115,412</u> | <u>1,616,492</u> | <u>656,051</u> | <u>14,337,861</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable Revenue - Ambulance | 567,855 | - | - | - | - | 567,855 |
| Unavailable Revenue - Property Taxes | 15,894,846 | 13,035,000 | - | - | - | 28,929,846 |
| Unavailable Revenue - Special Assessments | - | - | - | 15,389,725 | - | 15,389,725 |
| Unavailable Revenue - Leases | 1,193,066 | - | - | - | - | 1,193,066 |
| | <u>17,655,766</u> | <u>13,035,000</u> | <u>-</u> | <u>15,389,725</u> | <u>-</u> | <u>46,080,491</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | 38,250 | - | - | - | - | 38,250 |
| Restricted | 343,866 | - | 22,259,629 | 1,691,650 | - | 24,295,145 |
| Committed | - | - | - | - | - | - |
| Assigned | 1,073,461 | 33,103,202 | 63,507,303 | 6,743,853 | 3,568,153 | 107,995,973 |
| Unassigned | 19,183,365 | - | - | - | - | 19,183,364 |
| Total Fund Balances | <u>20,638,942</u> | <u>33,103,202</u> | <u>85,766,932</u> | <u>8,435,503</u> | <u>3,568,153</u> | <u>151,512,731</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 48,236,560</u> | <u>\$ 46,146,257</u> | <u>\$ 87,882,344</u> | <u>\$ 25,441,720</u> | <u>\$ 4,224,203</u> | |

| | |
|--|-----------------------|
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources. | 355,822,469 |
| Other long-term assets and deferred outflows of resources are not available to pay for current expenditures. | 35,948,658 |
| Long-term liabilities, including bonds payable and pension liability, are not due and payable in the current period. | (79,678,331) |
| Deferred inflows and outflows of resources related to pensions are not applicable to the current period. | 8,846,925 |
| Net position of governmental activities | <u>\$ 472,452,452</u> |

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

CITY OF SOUTH JORDAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

| | General | Redevelopment Agency | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|----------------------|----------------------|---------------------|-----------------------------|--------------------------|
| REVENUES | | | | | | |
| Taxes | \$ 48,123,744 | \$ 2,312,135 | \$ 2,147,773 | \$ - | \$ - | \$ 52,583,652 |
| Licenses and Permits | 2,392,468 | - | - | - | - | 2,392,468 |
| Intergovernmental | 260,397 | 10,793,278 | 5,792,632 | - | 448,473 | 17,294,780 |
| Charges for Services | 9,099,286 | - | - | - | 6,191,916 | 15,291,202 |
| Fines and Forfeitures | 493,325 | - | - | - | - | 493,325 |
| Special Assessments | - | - | - | 2,900,897 | - | 2,900,897 |
| Interest | 6,079,109 | 1,623,625 | 395,018 | 20,100 | 89,882 | 8,207,734 |
| Impact Fees | - | - | 940,917 | - | - | 940,917 |
| Miscellaneous | 781,265 | - | 1,291,611 | - | 19,924 | 2,092,800 |
| Total Revenues | <u>67,229,593</u> | <u>14,729,038</u> | <u>10,567,951</u> | <u>2,920,997</u> | <u>6,750,196</u> | <u>102,197,775</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | 7,557,971 | 532,224 | - | 79,500 | - | 8,169,695 |
| Administrative Services | 5,969,402 | - | 74,870 | - | - | 6,044,272 |
| Development Services | 5,861,196 | - | - | - | 102,826 | 5,964,022 |
| Public Works | 9,899,931 | - | 5,278,494 | - | 1,958,311 | 17,136,736 |
| Recreation | 2,231,428 | - | 71,366 | - | - | 2,302,794 |
| Public Safety | 24,809,568 | - | 224,999 | - | 865,128 | 25,899,695 |
| Tax Increment Distributions | - | 4,217,893 | - | - | - | 4,217,893 |
| Capital Outlay and Projects | 32,322 | 50,763 | 17,690,651 | - | 708,257 | 18,481,993 |
| Developer Reimbursement | - | - | 330,306 | - | - | 330,306 |
| Debt Service | | | | | | |
| Principal | 223,387 | - | 897,967 | 3,959,593 | - | 5,080,948 |
| Interest and Fees | 24,192 | - | - | 2,520,049 | - | 2,544,241 |
| Total Expenditures | <u>56,609,398</u> | <u>4,800,880</u> | <u>24,568,653</u> | <u>6,559,142</u> | <u>3,634,522</u> | <u>96,172,595</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>10,620,195</u> | <u>9,928,159</u> | <u>(14,000,702)</u> | <u>(3,638,146)</u> | <u>3,115,674</u> | <u>6,025,180</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Lease Financing | - | - | - | - | - | - |
| Subscription Financing | - | - | 268,478 | - | - | 268,478 |
| Issuance of Loan | - | - | - | - | - | - |
| Sale of Capital Assets | 233,301 | - | 472,302 | - | - | 705,603 |
| Transfers In | 1,039,705 | - | 11,478,362 | 8,364,869 | - | 20,882,937 |
| Transfers Out | (9,166,944) | (3,391,430) | (5,174,383) | - | (4,145,271) | (21,878,028) |
| Total Other Financing Sources (Uses) | <u>(7,893,938)</u> | <u>(3,391,430)</u> | <u>7,044,759</u> | <u>8,364,869</u> | <u>(4,145,271)</u> | <u>(21,011)</u> |
| Net Change in Fund Balances | 2,726,257 | 6,536,729 | (6,955,943) | 4,726,724 | (1,029,597) | 6,004,169 |
| June 30, 2023, as previously stated | 19,027,972 | 26,566,473 | 92,722,875 | 3,708,779 | 4,597,750 | 146,623,849 |
| Implementation of GASB 101 (Note 10) | (1,115,287) | - | - | - | - | (1,115,287) |
| June 30, 2023, as restated | 17,912,685 | 26,566,473 | 92,722,875 | 3,708,779 | 4,597,750 | 145,508,562 |
| Fund Balances - June 30, 2024 | <u>\$ 20,638,942</u> | <u>\$ 33,103,202</u> | <u>\$ 85,766,932</u> | <u>\$ 8,435,503</u> | <u>\$ 3,568,153</u> | <u>\$ 151,512,731</u> |

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

CITY OF SOUTH JORDAN
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2024

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

| | |
|---|-----------------------------|
| Net Change in Fund Balance - Total Governmental Funds | \$ 6,004,169 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 4,420,859 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. , sales, trade-ins, and donations) is to increase net position. | 4,668,274 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (926,266) |
| The Statement of Activities reports net pension expense, benefit expense, and nonemployer contribution revenue from the application of GASB 68 which is not shown in the fund statements. | 544,549 |
| Bond proceeds and leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the statement of net position. Repayments of bond and lease principal are expenditures in the governmental funds but reduce liabilities in the statement of net position. | 5,220,848 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | <u>(1,254,580)</u> |
| Change in net position of governmental activities | <u><u>\$ 18,677,853</u></u> |

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

PROPRIETARY FUND FINANCIAL STATEMENTS

MAJOR FUNDS

Water Fund

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

Sanitation Fund

The Sanitation Fund is used to account for the activities of the City's sanitation and recycling operations.

NONMAJOR FUNDS

Risk Management Fund

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

Mulligans Fund

The Mulligans Fund is used to account for the activities of Mulligans.



CITY OF SOUTH JORDAN
Statement of Net Position
Proprietary Funds
For the Year Ended June 30, 2024

| | Major Funds | | Nonmajor Funds | | Total |
|---|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Water Fund | Sanitation Fund | Mulligans Fund | Internal Service Fund | |
| ASSETS | | | | | |
| <i>Current Assets:</i> | | | | | |
| Cash, Cash Equivalents, and Investments | \$ 40,546,761 | \$ 3,920,428 | \$ 1,685,808 | \$ 827,702 | \$ 46,980,699 |
| Accounts Receivable Net of Allowance | 4,491,489 | 744,176 | - | - | 5,235,665 |
| Inventories | 275,491 | - | 14,597 | - | 290,088 |
| Total Current Assets | 45,313,741 | 4,664,604 | 1,700,405 | 827,702 | 52,506,452 |
| <i>Noncurrent Assets:</i> | | | | | |
| Restricted Cash | - | - | - | - | - |
| Net Pension Asset | - | - | - | - | - |
| Investment in Landfill | - | 7,419,201 | - | - | 7,419,201 |
| <i>Capital Assets</i> | | | | | |
| Land | 2,599,425 | - | 9,956,618 | - | 12,556,042 |
| Water Shares | 18,961,482 | - | - | - | 18,961,482 |
| Buildings and Structures | 645,864 | - | 716,389 | - | 1,362,253 |
| Improvements - Other than Buildings | 180,557,725 | - | 1,066,473 | - | 181,624,197 |
| Machinery and Equipment | 5,791,698 | 2,513,450 | 829,290 | - | 9,134,439 |
| Right-to-Use Machinery and Equipment | - | - | - | - | - |
| Construction in Progress | 4,756,051 | - | 813,139 | - | 5,569,189 |
| Less Accumulated Depreciation | (76,635,583) | (1,276,258) | (1,471,489) | - | (79,383,331) |
| Capital Assets (Net of Accum Depreciation) | 136,676,660 | 1,237,192 | 11,910,419 | - | 149,824,271 |
| Total Noncurrent Assets | 136,676,660 | 8,656,393 | 11,910,419 | - | 157,243,472 |
| Total Assets | 181,990,402 | 13,320,998 | 13,610,824 | 827,702 | 209,749,925 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred Charge on Refunding | - | - | - | - | - |
| Resources Related to Pensions | 1,029,203 | 216,081 | 163,129 | - | 1,408,413 |
| Total Deferred Outflows of Resources | 1,029,203 | 216,081 | 163,129 | - | 1,408,413 |
| LIABILITIES | | | | | |
| <i>Current Liabilities:</i> | | | | | |
| Accounts Payable | 2,882,457 | 375,558 | 106,072 | 5,885 | 3,369,972 |
| Accrued Liabilities | 333,088 | 13,798 | 44,626 | - | 391,512 |
| Accrued Interest Payable | - | - | - | - | - |
| Unearned Revenue | 823,004 | - | - | - | 823,004 |
| Retainage Payable | 67,666 | - | - | - | 67,666 |
| Developer and Resident Deposits | 110,641 | - | - | - | 110,641 |
| Compensated Absences | 180,997 | 36,942 | 40,954 | - | 258,893 |
| Bonds and Leases Payable | 10,000 | - | - | - | 10,000 |
| Total Current Liabilities | 4,407,854 | 426,299 | 191,652 | 5,885 | 5,031,689 |
| <i>Noncurrent Liabilities:</i> | | | | | |
| Compensated Absences | 29,906 | 9,247 | 5,198 | - | 44,350 |
| Bonds and Leases Payable | - | - | - | - | - |
| Net Pension Liability | 219,110 | 47,841 | 37,472 | - | 304,423 |
| Total Noncurrent Liabilities | 249,016 | 57,088 | 42,670 | - | 348,773 |
| Total Liabilities | 4,656,870 | 483,386 | 234,321 | 5,885 | 5,380,462 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Resources Related to Pensions | 14,245 | 32,654 | 1,868 | - | 48,767 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 135,005,821 | 1,237,192 | 11,910,419 | - | 148,153,432 |
| <i>Restricted for:</i> | | | | | |
| Capital Improvements | 411,952 | - | - | - | 411,952 |
| Water Facility | 826,613 | - | - | - | 826,613 |
| Debt Service | - | - | - | - | - |
| Unrestricted | 42,104,104 | 11,783,846 | 1,627,345 | 821,817 | 56,337,112 |
| Total Net Position | \$ 178,348,490 | \$ 13,021,038 | \$ 13,537,764 | \$ 821,817 | \$ 205,729,109 |

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

CITY OF SOUTH JORDAN

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2024

| | Major Funds | | Nonmajor Funds | | Total |
|--|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Water Fund | Sanitation Fund | Mulligans Fund | Internal Service Fund | |
| OPERATING REVENUES | | | | | |
| Charges for Services | | | | | |
| Operations | \$ 532,960 | \$ 5,638,900 | \$ 2,254,803 | \$ 652,972 | \$ 9,079,634 |
| Pledged as Security for Revenue Bonds | 23,722,534 | - | - | - | 23,722,534 |
| Miscellaneous | 12,327 | 3,295 | 564 | - | 16,186 |
| Total Operating Revenues | <u>24,267,821</u> | <u>5,642,195</u> | <u>2,255,367</u> | <u>652,972</u> | <u>32,818,355</u> |
| OPERATING EXPENSES | | | | | |
| Costs of Services | 14,395,800 | 4,961,665 | 1,469,421 | 830,510 | 21,657,396 |
| General and Administrative | 3,098,864 | 678,931 | 5,901 | - | 3,783,696 |
| Depreciation | 6,060,254 | 121,011 | 156,359 | - | 6,337,624 |
| Total Operating Expenses | <u>23,554,918</u> | <u>5,761,608</u> | <u>1,631,680</u> | <u>830,510</u> | <u>31,778,716</u> |
| Operating Income | <u>712,903</u> | <u>(119,413)</u> | <u>623,687</u> | <u>(177,538)</u> | <u>1,039,639</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| Increase in Joint Venture | - | 1,097,389 | - | - | 1,097,389 |
| Interest | 2,268,339 | 236,241 | 65,909 | (645) | 2,569,843 |
| Intergovernmental - Grants | 158,873 | - | - | - | 158,873 |
| Gain (Loss) on Sale and Disposal of Capital Assets | 77,125 | 63,000 | - | - | 140,125 |
| Interest and Fees | 161,314 | - | - | - | 161,314 |
| Total Non-Operating Revenue (Expenses) | <u>2,665,651</u> | <u>1,396,630</u> | <u>65,909</u> | <u>(645)</u> | <u>4,127,544</u> |
| Income Before Contributions and Transfers | <u>3,378,554</u> | <u>1,277,217</u> | <u>689,595</u> | <u>(178,183)</u> | <u>5,167,183</u> |
| CONTRIBUTIONS AND TRANSFERS | | | | | |
| Capital Contributions, Impact Fees and Other | 384,870 | - | - | - | 384,870 |
| Transfers In | - | - | - | 1,000,000 | 1,000,000 |
| Transfers Out | (4,168) | (272) | (469) | - | (4,909) |
| Total Contributions and Transfers | <u>380,702</u> | <u>(272)</u> | <u>(469)</u> | <u>1,000,000</u> | <u>1,379,961</u> |
| Change in Net Position | <u>3,759,256</u> | <u>1,276,945</u> | <u>689,126</u> | <u>821,817</u> | <u>6,547,144</u> |
| June 30, 2023, as previously stated | 174,647,467 | 11,756,868 | 12,865,173 | - | 199,269,508 |
| Implementation of GASB 101 (Note 10) | (58,233) | (12,775) | (16,535) | - | (87,543) |
| June 30, 2023, as restated | <u>174,589,234</u> | <u>11,744,093</u> | <u>12,848,638</u> | <u>-</u> | <u>199,181,965</u> |
| Net Position - June 30, 2024 | <u>\$ 178,348,490</u> | <u>\$ 13,021,038</u> | <u>\$ 13,537,764</u> | <u>\$ 821,817</u> | <u>\$ 205,729,109</u> |

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

CITY OF SOUTH JORDAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2024

| | Major Funds | | Nonmajor Fund | | Totals |
|--|---------------|-----------------|----------------|--------------|---------------|
| | Water Fund | Sanitation Fund | Mulligans Fund | Risk Fund | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from Customers and Users | \$ 22,964,652 | \$ 5,467,729 | \$ 2,255,367 | \$ 652,972 | \$ 30,687,747 |
| Payments to Suppliers | (12,217,808) | (4,471,620) | (624,702) | (824,625) | (17,314,131) |
| Interfund Services | (3,157,097) | (691,706) | (29,053) | - | (3,877,856) |
| Payments to Employees | (2,587,921) | (539,614) | (881,908) | - | (4,009,443) |
| Net Cash Provided by Operating Activities | 5,001,827 | (235,212) | 719,704 | (171,653) | 5,486,318 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Noncapital Grants | 155,263 | - | - | - | 155,263 |
| Transfers In | - | - | - | 1,000,000 | - |
| Transfers Out | (4,168) | (272) | (469) | - | (4,909) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 151,095 | (272) | (469) | 1,000,000 | 150,354 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Impact Fees | 384,870 | - | - | - | 384,870 |
| Purchase of Capital Assets | (5,375,894) | (391,772) | 4,935 | - | (5,762,731) |
| Principal Paid on Capital Debt | (2,175,117) | - | - | - | (2,175,117) |
| Interest Paid on Capital Debt | (54,875) | - | - | - | (54,875) |
| Proceeds From Sale of Capital Assets | 77,125.00 | 63,000 | - | - | 140,125 |
| Net Cash Used by Capital and Related Financing Activities | (7,143,891) | (328,772) | 4,935 | - | (7,467,728) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Interest Income | 2,268,339 | 236,241 | 65,909 | (645) | 2,570,488 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 277,370 | (328,015) | 790,079 | 827,702 | 739,434 |
| Cash and Cash Equivalents - Beginning of Year | 40,466,262 | 4,248,443 | 895,729 | - | 45,610,434 |
| Cash and Cash Equivalents - End of Year | \$ 40,743,632 | \$ 3,920,428 | \$ 1,685,808 | \$ 827,702 | \$ 46,349,868 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating Income | \$ 712,903 | \$ (119,413) | \$ 623,687 | \$ (177,538) | \$ 1,217,177 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Depreciation Expense | 6,060,254 | 121,011 | 156,359 | - | 6,337,624 |
| (Increase) Decrease in Receivables | (1,282,454) | (11,528) | 114,548 | - | (1,179,434) |
| (Increase) Decrease in Inventory | (56,160) | - | 5,761 | - | (50,399) |
| (Increase) Decrease in Net Pension Asset | 360,895 | - | - | - | 360,895 |
| (Increase) Decrease in Deferred Outflows Related to Pensions | (755,709) | (165,026) | (116,649) | - | (1,037,384) |
| Increase (Decrease) in Accounts Payable | (274,993) | (109) | (17,524) | 5,885 | (292,626) |
| Increase (Decrease) in Accrued Liabilities | 172,894 | (2,889) | (13,263) | - | 156,742 |
| Increase (Decrease) in Accrued Vacation and Sick Leave | (73,596) | (9,411) | (16,463) | - | (99,470) |
| Increase (Decrease) in Net Pension Liability | (74,204) | (16,325) | (16,143) | - | (106,672) |
| Increase (Decrease) in Deferred Inflows Related to Pensions | 211,997 | (31,523) | (609) | - | 179,865 |
| Total Adjustments | 4,288,924 | (115,800) | 96,017 | 5,885 | 4,269,141 |
| Net Cash Provided by Operating Activities | \$ 5,001,827 | \$ (235,212) | \$ 719,704 | \$ (171,653) | \$ 5,486,318 |
| Noncash Investing, Capital, and Financing Activities: | | | | | |
| Contributions of Capital Assets From Developers | \$ - | \$ - | \$ - | \$ - | \$ - |
| Increase in Equity Investment in Trans-Jordan Landfill | - | 1,097,389 | - | - | 1,097,389 |

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

FIDUCIARY FUNDS

MFTC Fund

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



CITY OF SOUTH JORDAN

Statement of Fiduciary Net Position

Metro Fire Testing Consortium (MFTC) Fund

For the Year Ended June 30, 2024

| | <u>Custodial Fund</u> |
|---|---------------------------|
| ASSETS | |
| Cash, Cash Equivalents, and Investments | \$ 17,294 |
| Prepaid Items | - |
| Total Assets | <u>\$ 17,294</u> |
| LIABILITIES | |
| Accounts Payable and Accrued Liabilities | - |
| Due to Metro Fire Testing Consortium | - |
| Total Liabilities | <u>\$ -</u> |
| NET POSITION | |
| Restricted for: | |
| Individuals, organizations, and other governments | 17,294 |
| Total Net Position | <u><u>\$ 17,294</u></u> |

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

Statement of Changes in Fiduciary Net Position

Metro Fire Testing Consortium (MFTC) Fund

For the Year Ended June 30, 2024

| | <u>Custodial Fund</u> |
|---|---------------------------|
| ADDITIONS | |
| Contributions: | |
| Members | \$ - |
| Total Contributions | <u>-</u> |
| Investment Earnings: | |
| Interest, dividends, and other | 950 |
| Net increase (decrease) in fair value of investments | <u>(13)</u> |
| Total Investment Earnings | <u>937</u> |
| Total Additions | <u>937</u> |
| DEDUCTIONS | |
| Payments made to vendors | <u>-</u> |
| Total Deductions | <u>-</u> |
| Net increase (decrease) in fiduciary net position | <u>937</u> |
| Net Position - Beginning | <u>16,357</u> |
| Net Position - Ending | <u>\$ 17,294</u> |

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

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Jordan's (the City) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

The City of South Jordan was incorporated on November 8, 1935, under laws of the state of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body, consisting of the Mayor and a five-member City Council. They are assisted by a City Manager. The Chief Financial Officer/Budget Officer is currently responsible for the financial matters of the City, including treasury management, accounts payable, financial statements, and accounts receivable.

The City provides the following services as mandated by law: public safety, judicial services, highways and streets, sanitation, parks, water, public improvements, planning and zoning, and general administrative services.

The Annual Comprehensive Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14, as amended. The primary criterion for including a board or an agency in this report is financial accountability, which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are in substance, part of the government's operations, and so data from these units are combined with data of the primary government. Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The Municipal Building Authority (MBA) was created by the City during fiscal year 1995 and is governed by the City's Mayor and Council. The Authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of general capital assets for the City. The bonds are secured by a lease agreement with the City and will be retired through lease payments from the City. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit.

The Redevelopment Agency is governed by a separate governing board, who are the City's Mayor and Council. The financial statements of the Redevelopment Agency are included in the accompanying financial statements as a blended component unit.

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

The Municipal Building Authority is presented as a debt service fund in the financial statements, and the Redevelopment Agency is presented as a special revenue fund in the financial statements.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices or online at www.sjc.utah.gov.

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt as well as expenditures related to compensated absences, claims, and judgments, which are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Redevelopment Agency Special Revenue Fund* accounts for the activities of the agency, a blended component unit of the City. The agency is an entity established to further public purpose in the redevelopment of City areas. The major source of revenue for this fund is tax increment revenue.

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

The *Debt Service Fund* is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The government reports the following major proprietary funds:

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

The *Sanitation Fund* accounts for the activities of the City's sanitation and recycling operations.

Additionally, the government reports the following fund types:

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

The *Custodial Fund* accounts for fire employment testing fees collected and expended for the Metro Fire Testing Consortium (MFTC). Custodial funds use the economic resources measurement focus.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by the various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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

1. Deposits and Investments

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

Investments consist of amounts deposited with Utah Public Treasurers' Investment Fund, United States Treasury bills, money market funds, and various investment securities. Investments are stated at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds".

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. Prepaid expenditures of governmental funds are recorded as expenditures when purchased using the purchases method.

4. Restricted Assets/Restricted Net Position

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

Restricted net position represents resources that are subject to external restrictions on how they may be used. Of the \$28,314,101 reported as restricted net position in the statement of net position, \$23,244,181 is restricted due to enabling legislation (\$27,075,536 for governmental activities and \$1,238,565 for business-type activities).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the functionality of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Buildings and structures | 30-50 |
| Improvements other than buildings | 20-50 |
| Infrastructure | 30-50 |
| Machinery and equipment | 3-10 |
| Furniture and fixtures | 5-10 |

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net assets that applies to a future period(s) and so *will not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category – a deferred charge on refunding and resources related to pensions, both of which are reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions results from the difference between projected and actual earnings on pension plan investments.

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

7. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. They are allowed to carry forward into the next calendar year accrued vacation up to 320 hours (number of hours carried forward depends on years of service and hire date) and all sick leave, but are encouraged to take their vacation leave within the calendar year in which it is earned. Upon termination of employment, an employee will be compensated for all unused vacation leave, up to the max allowed to carryover, but forfeits any accumulated sick leave.

The City implemented GASB Statement No. 101, Compensated Absences, in fiscal year 2024. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

Accrued sick time is now part of the liability reported as compensated absences. Sick time liability is calculated based on the past five-year average of all employee sick time used, then applied to each employee.

All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For governmental funds, any compensated absence liability has typically been liquidated by the General Fund.

8. Taxes

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax, which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st, and real estate and improvement taxes are levied on January 1st and are payable by

November 30th. The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 30th each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

9. Long-Term Obligations

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

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

10. Fund Balance

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

- **Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable. Nonspendable fund balance represents inventory and long-term receivables.
- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund

balance amounts include debt service, impact fees, unspent lease proceeds, grant revenue, police forfeiture money, and liquor allotment from the state of Utah.

- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City currently has no items in this category.
- **Assigned.** This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Chief Financial Officer/Budget Officer. Also included are all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed or in the General Fund that are intended to be used for specific purposes. The City currently has multiple General Fund assignments as detailed on the next page.
- **Unassigned.** Residual balances in the General Fund are classified as unassigned. The General Fund is the only fund that reports a positive unassigned fund balance. 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.

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

The City does not have a formal minimum fund balance policy. The City adheres to Utah Code § 10-6-116(4) which requires a minimum fund balance of 5 percent of total revenues to be maintained in the General Fund. For fiscal year 2024, this amount is \$3,361,480.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

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

| FUND BALANCES | General | RDA | Capital Projects | Debt Service | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|----------------------|----------------------|-------------------------|---------------------|------------------------------------|---------------------------------|
| Nonspendable | | | | | | |
| Inventory | \$ 38,250 | \$ - | \$ - | \$ - | \$ - | \$ 38,250 |
| Restricted | | | | | | |
| Debt Service | - | - | - | 1,691,650 | - | 1,691,650 |
| Construction | - | - | - | - | - | - |
| Impact Fees | - | - | 6,319,540 | - | - | 6,319,540 |
| Public Safety Forfeiture/State Grants | 42,493 | - | - | - | - | 42,493 |
| Liquor Allotment | 301,373 | - | - | - | - | 301,373 |
| B & C Road Funds | - | - | 23,913 | - | - | 23,913 |
| County Road Funds | - | - | 6,388,217 | - | - | 6,388,217 |
| Parking Infrastructure | - | - | 8,000,000 | - | - | 8,000,000 |
| UDOT Loans | - | - | 1,527,959 | - | - | 1,527,959 |
| Committed | | | | | | |
| Assigned | | | | | | |
| Debt Service | - | - | - | 6,743,853 | - | 6,743,853 |
| RDA | - | 33,103,202 | - | - | - | 33,103,202 |
| Capital Projects | - | - | 63,507,303 | - | - | 63,507,303 |
| Storm Drain Projects | - | - | - | - | 1,338,166 | 1,338,166 |
| Fitness Center | - | - | - | - | 143,080 | 143,080 |
| Interfacility Projects | - | - | - | - | 2,084,659 | 2,084,659 |
| Arts Council Master Plan | 6,702 | - | - | - | - | 6,702 |
| Police Software | 55,000 | - | - | - | - | 55,000 |
| Fire Equipment | 149,550 | - | - | - | - | 149,550 |
| General Fund Water Usage | 700,000 | - | - | - | - | 700,000 |
| Art Donations (Round it Up) | 82,115 | - | - | - | - | 82,115 |
| PACE Days | 20,000 | - | - | - | - | 20,000 |
| EV Charging Station | 18,000 | - | - | - | - | 18,000 |
| Gale Sign Project | 25,000 | - | - | - | - | 25,000 |
| Street Sign Posts | 17,094 | - | - | - | - | 17,094 |
| MBA | - | - | - | - | 2,248 | 2,248 |
| Unassigned | 19,183,365 | - | - | - | - | 19,183,365 |
| Total Fund Balances | \$ 20,638,942 | \$ 33,103,202 | \$ 85,766,932 | \$ 8,435,503 | \$ 3,568,153 | \$ 151,512,731 |

11. Use of Estimates

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

12. Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS'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.

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

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

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

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

Capital related items:

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

| | |
|--|----------------------------------|
| Cost of capital assets | \$ 541,112,714 |
| Cost of right-to-use assets | 496,273 |
| Cost of subscription based assets | 874,412 |
| Accumulated depreciation | <u>(186,660,928)</u> |
| Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i> | <u><u>\$ 355,822,471</u></u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Long-term debt transactions:

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

| | |
|--|----------------------|
| Bonds payable | \$ 53,395,000 |
| Deferred refunding bond reacquisition costs (to be amortized over life of original debt) | (0) |
| Bond premium (to be amortized to interest income) | 5,485,555 |
| Notes payable | 8,529,197 |
| Lease payables | 186,329 |
| Subscription payable | 747,782 |
| Accrued interest payable | 787,742 |
| Compensated absences | 4,550,590 |
| Claims and judgments | 185,001 |
| Net Pension Liability | <u>5,811,135</u> |
| Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 79,678,331</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Long Term Assets:

Long term assets applicable to the City’s governmental activities which are not available to pay expenses of the current period are deferred in the fund statements. However, in the statement of net position, the charges were reported as a reduction of expense or revenue when earned.

| | |
|----------------------------|----------------|
| Special assessments | \$ 15,389,725 |
| Net pension asset | 1,757,000 |
| Investment in joint assets | 18,000,000 |
| Ambulance revenue | 283,865 |
| Delinquent property taxes | <u>132,421</u> |

| | |
|--|----------------------|
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 35,563,011</u> |
|--|----------------------|

Deferred Inflows and Outflows Related to Pensions:

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

| | |
|---------------------------------------|-------------------|
| Deferred outflows related to pensions | \$ 9,015,911 |
| Deferred inflows related to pensions | <u>(168,986)</u> |

| | |
|--|---------------------|
| Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i> | <u>\$ 8,846,925</u> |
|--|---------------------|

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

| | |
|--|---------------------|
| Capital outlay | \$18,419,451 |
| Depreciation expense | (14,063,888) |
| Leases | - |
| Subscription-based assets | 268,478 |
| Amortization expense | <u>(203,180)</u> |
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ 4,420,860</u> |

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

| | |
|---|--------------|
| In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. | (\$ 380,354) |
|---|--------------|

| | |
|--|------------------|
| Capital assets donated by outside parties are recorded as revenues in the statement of activities, thus net position increases by the value of the donated assets. | <u>5,048,628</u> |
|--|------------------|

| | |
|--|---------------------|
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ 4,668,274</u> |
|--|---------------------|

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources, are not reported as revenues and are shown as a deferred inflow of resources in the funds.

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

| | |
|---------------------------|----------------|
| Special assessments | \$(1,342,552) |
| Ambulance revenue | 283,865 |
| Delinquent property taxes | <u>132,421</u> |

| | |
|--|----------------------|
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | \$(<u>926,266</u>) |
|--|----------------------|

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

| | |
|--|----------------|
| Net pension expense | (\$ 4,250,144) |
| Benefit expense | 4,240,449 |
| Nonemployer contributions (fire premium tax or court fees) | <u>554,244</u> |

| | |
|--|-------------------|
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ 544,549</u> |
|--|-------------------|

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Debt issued or incurred:

| | |
|---------------------------------------|---------------------|
| Subscription payable | (268,478) |
| Deferred refunding costs amortization | (85,607) |
| Total debt incurred | <u>\$(354,085)</u> |

Principal payments:

| | |
|-------------------------------|---------------------|
| Sales tax bonds | 2,075,000 |
| 2016 Special assessment bonds | 1,215,000 |
| Notes payables | 1,567,561 |
| Lease payables | 131,929 |
| Subscription payables | 91,458 |
| Claims and judgements | 71,254 |
| Bond premium amortization | <u>422,732</u> |
| Total principal payments | <u>\$ 5,574,934</u> |

Net adjustments to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*

\$ 5,220,849

Another element of that reconciliation states, “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.”

| | |
|--|-------------------------------|
| Compensated absences | (\$ 1,239,314) |
| Accrued interest | <u>8,926</u> |
| Net adjustment to decrease <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u><u>\$ (1,230,388)</u></u> |

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NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the state of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). All funds of the City, with the exception of the custodial fund, have legally adopted budgets.

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

- A. On or before the first regularly scheduled meeting of the City Council in May, the Chief Financial Officer/Budget Officer submits a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 30th, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1st.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The Chief Financial Officer/Budget Officer has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing, as required in B. above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- G. Encumbrances lapse at year end. Encumbered amounts do not carry over to the following year and are subject to re-appropriation. Therefore, no encumbrances are presented in the financial statements.

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

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2024, the City’s cash balance consisted of the following:

| | |
|--|---|
| | <u>Total Cash from All Fund Types</u> |
| Cash | \$ 3,022,355 |
| Cash Equivalents and Investments | <u>201,544,130</u> |
| Total Cash, Cash Equivalents and Investments | <u>\$ 204,566,485</u> |

While the City’s carrying amount of deposits was \$204,566,485, the balance in the City’s bank account and cash on hand was \$206,977,761, with the difference being due to outstanding checks and deposits in transit.

A. Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Utah Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2024, the deposits are as follows:

| <u>Depository Account</u> | <u>Custodial Credit Risk</u> | <u>Balance June 30, 2024</u> |
|---------------------------|-----------------------------------|----------------------------------|
| Checking | Insured | \$ 56 |
| Investment Sweep | Insured | 121,082 |
| Investment Sweep | Uninsured and Uncollateralized | <u>5,312,494</u> |
| Total Deposits | | <u>\$ 5,433,632</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk of investments, except to adhere to the Utah Money Management Act. All investments other than bank deposits or funds invested in the state treasurer’s fund are held by a third party with securities delivered on delivery vs. purchase basis. The entire \$201,544,129 of the City’s various investments are uninsured, uncollateralized, and held by the counterparty’s trust department or agency in the City’s name.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, as defined in the act; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivisions of the state of Utah; fixed rate corporate obligations and variable rated securities rated “A” or higher by two nationally recognized statistical rating services as defined in the Act.

The City is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the Securities and Exchange Commission (SEC) as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants’ average daily balances. The fair value of the City’s investment in the Utah Public Treasurer’s Investment Fund is calculated by multiplying the pool’s fair value per share times the City’s pool balance.

The following are the City’s investments as of June 30, 2024:

| Investments | Investment Maturities (in Years) | | | | Quality Ratings |
|---|----------------------------------|----------------------|-------------|--------------|-----------------|
| | Less Than 1 | 1-5 | 6-10 | More Than 10 | |
| Currency/Cash (Receivable/Payable) | \$ 371,332 | \$ - | \$ - | \$ - | AAA |
| Collateralized Money Market | 78,033 | - | - | - | AAA |
| Utah Public Treasurer's Investment Fund | 167,534,265 | - | - | - | Unrated |
| US Government or US Agencies | 4,120,309 | 7,804,523 | - | - | AAA |
| Certified Deposits (CD) | 6,166,876 | 7,864,358 | - | - | Unrated |
| Corporate Notes | 2,093,867 | 5,505,479 | - | - | A- to AAA |
| Total Investments | \$ 180,364,682 | \$ 21,174,361 | \$ - | \$ - | |

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. The City manages its exposure to declines in fair value by adhering to the Money Management Act. The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations is between 270 days to 15 months, or less.

The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years. Maturities of the City's investments are noted above. The City's policy is to adhere to the Money Management Act.

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 Money Management 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.

At June 30, 2024, the City of South Jordan does not hold more than 5 percent in any single security concentration other than U.S. Government treasuries and agencies and the Utah Public Treasurers Investment Fund in its portfolios. Therefore, the City is within the limits established by the Council's Rule 17.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

E. Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by Generally Accepted Accounting Principles (GAAP). 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.

As of June 30, 2024, the City had the following recurring fair value measurements:

- Money market, collateralized money market, US Government and US Agencies totaling \$17,733,007 valued using quoted market prices (Level 1 inputs).
- Utah Public Treasurer’s Investment Fund totaling \$167,534,265 valued using the application of the June 30, 2024 fair value factor, as calculated by the Utah State Treasurer, to the City’s average daily balance in the fund (Level 2 inputs).
- Corporate note securities totaling \$16,271,771 valued using quoted prices for similar securities in active markets (Level 2 inputs).

| <u>Investments by Fair Value Level</u> | <u>As of 6/30/24</u> | <u>Fair Value Measurements Using</u> | | |
|--|-----------------------|--------------------------------------|--------------------|----------------|
| | | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Debt Securities | | | | |
| U.S. Government | \$ 3,920,824 | \$ 3,920,824 | \$ - | \$ - |
| U.S Agencies | 8,004,007 | 8,004,007 | - | - |
| Corporate Bonds | 7,599,347 | 5,358,810 | 2,240,537 | - |
| Negotiable Certificates of Deposit | 14,031,234 | - | 14,031,234 | - |
| Money Market Mutual Funds | 78,033 | 78,033 | - | - |
| Currency | 371,332 | 371,332 | - | - |
| Utah Public Treasurer's Investment Fund | 167,534,265 | - | \$ 167,534,265 | - |
| Total Debt Securities | 201,539,043 | 17,733,007 | 183,806,036 | - |
| Equity Securities | | | | |
| Common and Preferred Stocks | - | - | - | - |
| Other | - | - | - | - |
| Equity Mutual Funds | - | - | - | - |
| Total Equity Securities | - | - | - | - |
| Other | | | | |
| Donated Assets (Real Estate) | - | - | - | - |
| Total Investments by Fair Value Level | 201,539,043 | 17,733,007 | 183,806,036 | - |
| Investments Measured at Net Asset Value (NAV) | | | | |
| Real Estate Funds | - | - | - | - |
| Venture Capital Funds | - | - | - | - |
| Global Investment Funds | - | - | - | - |
| Private Equity Partnerships | - | - | - | - |
| Total Investments Measured at Fair Value | \$ 201,539,043 | | | |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

NOTE 5 – RECEIVABLES

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

| | <u>General</u> | <u>RDA</u> | <u>Capital Projects</u> | <u>Debt Service</u> | <u>Nonmajor Governmental</u> | <u>Water</u> | <u>Nonmajor Enterprise</u> | <u>Total</u> |
|--|---------------------|---------------------|-----------------------------|-------------------------|----------------------------------|--------------------|--------------------------------|---------------------|
| Receivables: | | | | | | | | |
| Accounts | \$ 1,099,883 | \$ - | \$ - | \$ - | \$ 1,370,108 | \$4,506,341 | \$ 745,806 | \$ 7,722,138 |
| Property Tax | 16,077,752 | 13,035,000 | - | - | - | - | - | 29,112,752 |
| Other Taxes | 4,572,019 | - | 506,638 | - | - | - | - | 5,078,657 |
| Intergovernmental | 8,166 | - | 705,851 | - | 133,335 | - | - | 847,352 |
| Special | | | | | | | | |
| Assessments | - | - | - | 15,428,620 | - | - | - | 15,428,620 |
| Leases | 1,312,489 | - | - | - | - | - | - | 1,312,489 |
| Less: Allowance for Uncollectible Accounts | - | - | - | - | (254) | (14,852) | (1,630) | (16,736) |
| | <u>\$23,070,310</u> | <u>\$13,035,000</u> | <u>\$ 1,212,489</u> | <u>\$15,428,620</u> | <u>\$ 1,503,189</u> | <u>\$4,491,488</u> | <u>\$ 744,176</u> | <u>\$59,485,273</u> |

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NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers:

| | Transfer Out | | | | | | Total |
|---------------------------|---------------------|--------------------|---------------------|-------------------------|---------------------------|----------------------|----------------------|
| | General | RDA | Debt Service | Capital Projects | Nonmajor Govrnmtl. | Business-Type | |
| Transfer In: | | | | | | | |
| General | \$ - | \$ 163,355 | \$ - | \$ 868,500 | \$ 2,941 | \$ 4,909 | \$ 1,039,705 |
| Capital Projects | 6,440,716 | 1,250,000 | - | - | 4,697,646 | - | 12,388,362 |
| Debt Service | 2,726,228 | 1,978,075 | - | 3,485,566 | 354,684 | - | 8,544,553 |
| Business Type | - | - | - | 1,000,000 | - | - | 1,000,000 |
| Nonmajor Govtl. | - | - | - | - | - | - | - |
| Total Transfer Out | \$ 9,166,944 | \$3,391,430 | \$ - | \$ 5,354,066 | \$5,055,271 | \$ 4,909 | \$ 22,972,620 |

The City transferred monies between funds to support debt service payments in the Debt Service Fund. In addition, the City transferred monies to support related capital expenditures in the Capital Projects Fund and risk management charges in the General Fund. The City also transferred revenues generated from C Road Funds totaling \$868,500 to pay for qualified expenditures incurred in the General Fund.

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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

NOTE 7 – CAPITAL ASSET

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|-----------------------|----------------------|---------------------|-----------------------|
| Governmental Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 100,252,076 | \$ 2,444,221 | \$ - | \$ 102,696,297 |
| Land Right of Way | 8,336,389 | - | - | 8,336,389 |
| Construction in Progress | 9,163,304 | 8,577,108 | 4,807,832 | 12,932,580 |
| Total capital assets not being depreciated | <u>117,751,769</u> | <u>11,021,329</u> | <u>4,807,832</u> | <u>123,965,266</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings | 47,575,106 | - | - | 47,575,106 |
| Right-to-Use Building | 216,620 | - | - | 216,620 |
| Improvements | 327,711,448 | 11,490,805 | 507,547 | 338,694,706 |
| Machinery and Equipment | 27,029,588 | 5,761,551 | 1,913,503 | 30,877,636 |
| Right-to-Use Machine and Equipment | 279,653 | - | - | 279,653 |
| Right-to-Use Subscription Asset | 605,934 | 268,478 | - | 874,412 |
| Total capital assets being depreciated/amortized | <u>403,418,349</u> | <u>17,520,834</u> | <u>2,421,050</u> | <u>418,518,133</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | 13,556,577 | 1,223,281 | - | 14,779,857 |
| Right-to-Use Building | 115,531 | 57,765 | - | 173,296 |
| Improvements | 143,626,370 | 10,148,850 | 200,999 | 153,574,221 |
| Machinery and Equipment | 17,044,589 | 2,623,224 | 1,773,391 | 17,894,422 |
| Right-to-Use Machine and Equipment | 60,728 | 79,825 | - | 140,553 |
| Right-to-Use Subscription Asset | 32,990 | 65,590 | - | 98,580 |
| Total accumulated depreciation/amortization | <u>174,436,784</u> | <u>14,198,535</u> | <u>1,974,391</u> | <u>186,660,928</u> |
| Total capital assets, being depreciated/amortized, net | <u>228,981,566</u> | <u>3,322,298</u> | <u>446,659</u> | <u>231,857,205</u> |
| Governmental activities capital assets, net | <u>\$ 346,733,335</u> | <u>\$ 14,343,627</u> | <u>\$ 5,254,491</u> | <u>\$ 355,822,471</u> |
| | | | | |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| Business-Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 12,556,043 | \$ - | \$ - | \$ 12,556,043 |
| Construction in Progress | 6,430,398 | 650,842 | 1,512,050 | 5,569,189 |
| Water Shares | 18,961,482 | - | - | 18,961,482 |
| Total capital assets not being depreciated | <u>37,947,923</u> | <u>650,842</u> | <u>1,512,050</u> | <u>37,086,714</u> |
| Capital assets being depreciated/amortized: | | | | |
| Buildings | 1,362,253 | - | - | 1,362,253 |
| Improvements | 176,164,274 | 5,690,477 | 230,553.48 | 181,624,198 |
| Machinery and Equipment | 8,555,423 | 1,416,108 | 837,091 | 9,134,439 |
| Right-to-Use Machinery and Equipment | 39,092 | - | 39,092 | - |
| Total capital assets being depreciated/amortized | <u>186,121,042</u> | <u>7,106,585</u> | <u>1,106,737</u> | <u>192,120,890</u> |
| Less accumulated depreciation/amortization for: | | | | |
| Buildings | 1,046,493 | 49,114 | - | 1,095,607 |
| Improvements | 68,706,702 | 5,379,138 | 196,113 | 73,889,727 |
| Machinery and Equipment | 4,282,133 | 869,683 | 753,818 | 4,397,998 |
| Right-to-Use Machinery and Equipment | 24,294 | - | 24,294 | - |
| Total accumulated depreciation | <u>74,059,622</u> | <u>6,297,935</u> | <u>974,225</u> | <u>79,383,332</u> |
| Total capital assets, being depreciated/amortized, net | <u>112,061,420</u> | <u>808,650</u> | <u>132,512</u> | <u>112,737,559</u> |
| Business-type activities capital assets, net | <u>\$ 150,009,343</u> | <u>\$ 1,459,492</u> | <u>\$ 1,644,563</u> | <u>\$ 149,824,273</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

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

| | |
|---|----------------------|
| Governmental Activities: | |
| General Government | \$ 1,166,509 |
| Development Services | 53,701 |
| Public Works | 10,961,915 |
| Public Safety | 2,028,619 |
| Recreation | 61,088 |
| Total Depreciation Expense - Governmental Activities | <u>\$ 14,271,832</u> |
| Business-Type Activities: | |
| Water | 5,998,499 |
| Mulligans | 121,012 |
| Sanitation | 154,130 |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 6,273,641</u> |
| Total Depreciation Expense | <u>\$ 20,545,473</u> |

Amortization expense from right-to-use lease and subscription-based assets were charged to the functions/programs of the primary government as follows:

| | |
|--|-------------------|
| Governmental Activities: | |
| General Government | \$ 82,511 |
| Public Safety | 65,590 |
| Public Works | 55,079 |
| Total Amortized Expense - Governmental Activities | <u>\$ 203,180</u> |
| Business-Type Activities: | |
| Water | <u>-</u> |
| Total Amortized Expense - Business-Type Activities | <u>\$ -</u> |
| Total Amortization Expense | <u>\$ 203,180</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Construction Commitments

The City has various construction projects as of June 30, 2024, with commitments to contractors as follows:

| <u>Fund</u> | <u>Remianing Commitment</u> |
|--|---------------------------------|
| General Fund | \$ - |
| Capital Projects | 14,862,921 |
| Nonmajor Governmental Projects (aggregate) | - |
| Water Fund | 20,715,793 |
| Nonmajor Enterprise Projects (aggregate) | 333,121 |
| Total | <u>\$ 35,911,836</u> |

The City has various other equipment and projects as of June 30, 2024, with commitments to contractors as follows:

| <u>Fund</u> | <u>Remianing Commitment</u> |
|--|---------------------------------|
| General Fund | \$ 1,288,191 |
| Capital Projects | 1,951,111 |
| Nonmajor Governmental Projects (aggregate) | - |
| Water Fund | 523,625 |
| Nonmajor Enterprise Projects (aggregate) | - |
| Total | <u>\$ 3,762,927</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

The City’s Redevelopment Agency (RDA) has also entered into several Infrastructure Reimbursement agreements associated with the South Station and Commerce Park Project Areas. These agreements do commit available tax increment collected from the project to reimburse specific developers for public infrastructure constructed and land purchases for civic and public facilities (including educational facilities). This commitment is contingent upon work being completed, verified, and tax increment from the Project Areas being available for reimbursement. In addition, the agreement limits the City’s total eligible amount under both agreements.

The City’s Redevelopment Agency (RDA) currently has the following amount eligible for reimbursement as of June 30, 2024:

| | |
|------------------------------|----------------------|
| Public Infrastructure | |
| South Station | \$ 5,890,812 |
| Commerce Park | 16,523,380 |
| Land Purchases | |
| Total Potential Land | 13,400,000 |
| Total Commitment | <u>\$ 35,814,192</u> |

NOTE 8 – LEASES

Lease Payables -

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The following leases were included in the governmental fund:

As of June 30, 2024, South Jordan, UT had 9 active leases. The leases have payments that range from \$885 to \$59,878 and interest rates that range from 0.7270% to 2.2300%. As of June 30, 2024, the total combined value of the lease liability is \$201,447, the total combined value of the short-term lease liability is \$87,604. The combined value of the right to use asset, as of June 30, 2024 of \$428,082 with accumulated amortization of \$230,860 is included within the Lease Class activities table found below. The leases had \$0 of Variable Payments and \$0 of Other Payments, not included in the Lease Liability, within the Fiscal Year.

Lease Assets
 (By Major Classes of Underlying Assets)
 As of Fiscal Year End 2024

| Asset Class | Lease Asset Value | Accumulated Amortization |
|--------------------|--------------------------|---------------------------------|
| Buildings | \$ 216,620 | \$ 173,296 |
| Equipment | 211,462 | 57,564 |
| Total | \$ 428,082 | \$ 230,860 |

Lease Payables

| Fiscal Year | Governmental | |
|--------------------|---------------------|-----------------|
| | Principal | Interest |
| 2025 | \$ 87,604 | \$ 3,119 |
| 2026 | 40,925 | 2,086 |
| 2027 | 37,960 | 1,233 |
| 2028 | 34,958 | 391 |
| Total | \$ 201,447 | \$ 6,829 |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Lease Receivables -

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of June 30, 2024, South Jordan, UT had 2 active leases. The leases have receipts that range from \$49,357 to \$54,548 and interest rates that range from 2.3980% to 2.4190%. As of June 30, 2024, the total combined value of the lease receivable is \$1,312,489, the total combined value of the short-term lease receivable is \$76,972, and the combined value of the deferred inflow of resources is \$1,193,066. The leases had \$0 of Variable Receipts and \$722 of Other Receipts, not included in the Lease Receivable, within the Fiscal Year.

Lease Receivables

| Fiscal Year | Governmental | |
|--------------------|---------------------|-------------------|
| | Principal | Interest |
| 2025 | \$ 76,972 | \$ 31,531 |
| 2026 | 83,652 | 29,676 |
| 2027 | 90,732 | 27,659 |
| 2028 | 98,234 | 25,472 |
| 2029 | 106,183 | 23,104 |
| 2030 - 2034 | 254,517 | 91,287 |
| 2035 - 2039 | 344,235 | 56,646 |
| 2040 - 2042 | 257,964 | 12,596 |
| Total | \$ 1,312,489 | \$ 297,971 |

NOTE 9 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, subscription-based information technology arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription-based technology activities. This statement establishes a single model for accounting based on the principle that subscription-based information technology arrangements are financings of the right-to-use an underlying asset. Under this Statement, the government is required to recognize a subscription liability and an intangible right-to-use subscription asset, and a SBITA vendor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

As of June 30, 2024, City of South Jordan, UT had 2 active subscriptions. The subscriptions have payments that range from \$29,988 to \$80,897 and interest rates that range from 2.5000% to 3.3090%. As of June 30, 2024, the total combined value of the subscription liability is \$747,782, and the total combined value of the short-term subscription liability is \$80,600. The combined value of the right to use asset, as of June 30, 2024 of \$874,412 with accumulated amortization of \$98,580 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Subscription-Based Assets

(By Major Classes of Underlying Assets)
As of Fiscal Year End 2024

| Asset Class | Lease Asset Value | Accumulated Amortization |
|--------------------|--------------------------|---------------------------------|
| Software | 874,412 | 98,580 |
| Total | \$ 874,412 | \$ 98,580 |

Subscription Payables

| Fiscal Year | Governmental | |
|--------------------|---------------------|-------------------|
| | Principal | Interest |
| 2025 | \$ 80,600 | \$ 22,810 |
| 2026 | 83,073 | 20,338 |
| 2027 | 85,623 | 17,788 |
| 2028 | 88,252 | 15,159 |
| 2029 | 90,963 | 12,448 |
| 2030 - 2034 | 319,270 | 20,949 |
| Total | \$ 747,781 | \$ 109,492 |

NOTE 10 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2024, are comprised of the following:

Revenue Bonds:

2015 RDA Subordinate Sales and Tax Increment Bonds:

\$13,035,000 2015 RDA Subordinate Sales and Tax Increment Bonds due in annual principal and semi-annual interest payments through April 2032 – Interest is at a varying rate of 3.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 8,035,000

2017 Sales Tax Revenue Refunding Bonds:

\$21,155,000 Sales Tax Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through February 2040 – Interest is at a varying rate of 3.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 16,745,000

2017 Water Revenue and Refunding Bonds:

\$12,240,000 Water Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through November 2024 – Interest is at a varying rate of 4.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City paid off this debt in fiscal year 2024. \$ 0

2019 Sales Tax Revenue Refunding Bonds:

\$15,130,000 Water Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through August 2039 – Interest is at a varying rate of 4.00% to 5.00%. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 12,050,000

| Fiscal Year | Revenue Bonds | |
|--------------------|----------------------|----------------------|
| | Governmental | |
| | Principal | Interest |
| 2025 | \$ 2,180,000 | \$ 1,664,250 |
| 2026 | 2,295,000 | 1,553,500 |
| 2027 | 2,410,000 | 1,437,000 |
| 2027 | 2,395,000 | 1,326,925 |
| 2028-2032 | 12,515,000 | 4,805,350 |
| 2032-2036 | 10,230,000 | 2,400,125 |
| 2037-2041 | 4,805,000 | 242,125 |
| Total | \$ 36,830,000 | \$ 13,429,275 |

Pledged Sources of Revenue Bonds:

The City has pledged sales tax revenue for the 2015 RDA Subordinate Sales Tax and Tax Increment Bonds, 2017 Sales Tax Revenue Refunding Bonds, and 2019 Sales Tax Revenue Refunding Bonds. The remaining principal and interest payments total \$50,259,275. For the current year, principal and interest paid and total pledged sales tax revenues were \$3,844,625 and \$24,168,573, respectively. It is estimated that annual principal and interest payments on the bonds will require 16 percent of pledged revenues. It is important to note that sales tax is pledged on the 2015 RDA Subordinate Sales Tax and Tax Increment Bonds only to the extent project area tax increment is insufficient to cover debt service on the bond.

The City has pledged water revenue for the 2017 Water Revenue and Refunding Bonds. The remaining principal and interest payments total \$0. For the current year, principal and interest paid and pledged water revenues were \$2,224,250 and \$23,722,534 respectively. It is estimated that annual principal and interest payments on the bonds will require 10 percent of pledged revenues.

The City has also pledged RDA tax increment revenue for the 2015 RDA Subordinate Sales Tax and Tax Increment Bonds. The remaining principal and interest payments total \$8,035,000. For the current year, principal and interest paid and pledged revenues were \$1,214,450 and \$1,832,284 respectively. It is estimated that annual principal and interest payments on the bonds will require 66 percent of pledged revenues.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Special Assessment Bond:

2016 Special Assessment Bonds:
 \$32,675,000 Special Assessment Bonds (Daybreak Assessment Area No. 1) due in annual principal and semi-annual interest payments through November 2036 - Interest is at varying rates from 2.00% to 4.00%. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources, for example, foreclosure proceedings are received. This bond contains a provision that states, in the event of default, outstanding amounts may become immediately due if the City is unable to make payment. The City expects to make all payments. \$ 16,565,000

| Fiscal Year | Special Assessment Bond | | |
|--------------|-------------------------|---------------------|----------------------|
| | Governmental | | |
| | Principal | Interest | Total |
| 2025 | \$ 1,055,000 | \$ 527,919 | \$ 1,582,919 |
| 2026 | 1,085,000 | 495,969 | 1,580,969 |
| 2027 | 1,105,000 | 473,378 | 1,578,378 |
| 2028 | 1,145,000 | 438,738 | 1,583,738 |
| 2029-2033 | 6,425,000 | 1,482,387 | 7,907,387 |
| 2034-2038 | 5,750,000 | 378,906 | 6,128,906 |
| Total | \$ 16,565,000 | \$ 3,797,297 | \$ 20,362,297 |

Notes Payable:

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

In fiscal year 2023, the City incurred a \$185,001 note payable to the Utah Risk Management Association (URMA). This payable is a result of insurance claims against the City. The additions reflect new insurance claims. The deductions represent payments made to URMA. This note bears no interest. The City has formally declared its intent to leave URMA. The City will owe half of the note payable in fiscal year 2025.

In fiscal year 2022, the City received a \$9.7 million Utah State Infrastructure Bank loan from the Utah Department of Transportation (UDOT). The proceeds of the loan will be used to finance transportation infrastructure projects within the City. The loan was issued with a 1.69% interest rate and a 15-year term. The loan is backed by general and sales tax funds. As of June 30, 2024 the amount of principal outstanding is \$8,529,197.

| Utah State Infrastructure Bank Notes Payable | | | |
|---|---------------------|---------------------|----------------------|
| Fiscal Year | Principal | Interest | Total |
| 2025 | \$ 681,937 | \$ 170,634 | \$ 852,571 |
| 2026 | 694,578 | 157,994 | 852,572 |
| 2027 | 707,466 | 145,106 | 852,572 |
| 2028 | 720,604 | 131,967 | 852,571 |
| 2029-2033 | 3,809,290 | 453,569 | 4,262,859 |
| 2034-2037 | 2,813,345 | 119,428 | 2,932,773 |
| Total | \$ 9,427,220 | \$ 1,178,698 | \$ 10,605,918 |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

All Notes and Bonds Payable:

The future annual requirements for all outstanding bond and note obligations as of June 30, 2024, are as follows:

| Fiscal Year | All Bonds and Notes | | |
|--------------------|----------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2025 | \$ 3,916,937 | \$ 2,362,804 | \$ 6,279,741 |
| 2026 | 4,074,578 | 2,207,463 | 6,282,041 |
| 2027 | 4,222,465 | 2,055,485 | 6,277,950 |
| 2028 | 4,260,604 | 1,897,630 | 6,158,234 |
| 2029-2033 | 22,749,290 | 6,741,307 | 29,490,597 |
| 2034-2038 | 18,993,344 | 2,898,459 | 21,891,803 |
| 2039-2041 | 4,805,000 | 242,123 | 5,047,123 |
| Total | \$ 63,022,220 | \$ 18,405,271 | \$ 81,427,491 |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Changes in Long-Term Debt

| | July 1 2023 | Additions | Reductions | June 30 2024 | Due in One Year |
|--|-----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| Governmental Activities: | | | | | |
| Bonds Payable: | | | | | |
| 2015 RDA Subordinate Sales Tax and Tax Increment Bonds | \$ 8,845,000 | \$ - | \$ 810,000 | \$ 8,035,000 | \$ 850,000 |
| 2016 Special Assessment Bonds | 17,780,000 | - | 1,215,000 | 16,565,000 | 1,040,000 |
| 2017 Sales Tax Revenue Refunding Bonds | 17,515,000 | - | 770,000 | 16,745,000 | 810,000 |
| 2019 Sales Tax Revenue Refunding Bonds | 12,545,000 | - | 495,000 | 12,050,000 | 520,000 |
| Unamortized Bond Premium | 5,908,287 | - | 422,732 | 5,485,555 | 409,187 |
| Total Bonds Payable | <u>62,593,287</u> | <u>-</u> | <u>3,712,732</u> | <u>58,880,555</u> | <u>3,629,187</u> |
| Notes Payable | 10,096,758 | - | 1,567,561 | 8,529,197 | 593,187 |
| Leases Payable | 318,258 | - | 131,929 | 186,329 | 121,444 |
| Subscriptions Payable | 570,762 | 268,478 | 91,458 | 747,782 | 80,897 |
| Compensated Absences | 3,311,276 | 1,239,314 * | - | 4,550,590 | 3,788,989 |
| Claims and Judgments | 256,254 | - | 71,254 | 185,000 | 71,254 |
| Total Governmental Long-Term Obligations | <u>77,146,595</u> | <u>1,507,792</u> | <u>5,574,934</u> | <u>73,079,453</u> | <u>8,204,061</u> |
| Business-Type Activities: | | | | | |
| Bonds Payable: | | | | | |
| 2017 Water Revenue and Refunding Bonds | 2,170,000 | - | 2,170,000 | - | - |
| Unamortized Bond Premium | 248,003 | - | 248,003 | - | - |
| Total Bonds Payable | <u>2,418,003</u> | <u>-</u> | <u>2,418,003</u> | <u>-</u> | <u>-</u> |
| Compensated Absences | 203,774 | 99,469 * | - | 303,243 | 258,893 |
| Leases Payable | 30,197 | - | 30,197 | - | - |
| Total Business-Type Long-Term Obligations | <u>2,651,974</u> | <u>99,469</u> | <u>2,448,200</u> | <u>303,243</u> | <u>258,893</u> |
| Total Government-Wide Long-Term Obligations | <u>\$ 79,798,569</u> | <u>\$ 1,607,261</u> | <u>\$ 8,023,134</u> | <u>\$ 73,382,696</u> | <u>\$ 8,462,954</u> |

* The change in the compensated absences liability is presented as a net change

GASB Statement 101 Reconciliation

| | |
|---|-------------------|
| Governmental Activities: | |
| June 30, 2023 as previously stated | \$ 3,311,276 |
| Changes due to implementation of GASB 101 | 1,115,287 |
| June 30, 2023, as restated | <u>4,426,563</u> |
| June 30, 2024, Net Change | 124,027 |
| June 30, 2024 Ending Balance | <u>4,550,590</u> |
| Business-Type Activities: | |
| June 30, 2023 as previously stated | 203,774 |
| Changes due to implementation of GASB 101 | 87,543 |
| June 30, 2023, as restated | <u>291,317</u> |
| June 30, 2024, Net Change | 11,926 |
| June 30, 2024 Ending Balance | <u>\$ 303,243</u> |

Due to implementation of GASB 101, Fund Balance and Net Position changed by \$1,115,287 in the Governmental activities and \$87,543 in the Business-Type activities (See Note 17).

Sick time liability is calculated based on the past five year average of all employees sick time used, then applied to each employee.

NOTE 11 - RETIREMENT PLAN

Plan Description. Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is composed of the following Pension Trust Funds:

- Public Employees Noncontributory Retirement System (Noncontributory System).
- Firefighters Retirement System (Firefighters System) is a multiple employer, cost sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are both multiple employer, cost sharing, public employee retirement systems.

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the Utah State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the 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 may be obtained by writing to the below address or by visiting the website www.urs.org/general/puplications.

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

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 Percentage 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 20 years, age 60* 10 years, age 62* 4 years, age 65 | 1.25% per year to June 1975; 2.00% 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% or 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 30, 2020 2.00% per year July 1, 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.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute a certain percentage of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024 are as follows:

| | Tier 1 - DB System | | | Tier 2 - DB Hybrid System | | | | Tier 2 - 401(k) Option | | | |
|---------------------------------------|--------------------|----------|-----------|---------------------------|----------|----------|-----------|------------------------|----------|----------|-----------|
| | Employee | Employer | ER 401(k) | Tier 2 Fund | Employee | Employer | ER 401(k) | Tier 2 Fund | Employee | Employer | ER 401(k) |
| Contributory System | | | | | | | | | | | |
| 11 Local Government | 6.00 | 13.96 | - | 111 | - | 17.77 | 0.18 | 211 | - | 7.95 | 10.00 |
| Noncontributory System | | | | | | | | | | | |
| 15 Local Government | - | 17.97 | - | 111 | - | 16.01 | 0.18 | 211 | - | 6.19 | 10.00 |
| Public Safety System | | | | | | | | | | | |
| Noncontributory | | | | | | | | | | | |
| 43 Other Div A 2.5% COLA | - | 34.04 | - | 122 | 2.59 | 25.83 | - | 222 | - | 11.83 | 14.00 |
| Firefighters Retirement System | | | | | | | | | | | |
| 31 Other Division A | 15.05 | 3.61 | - | 132 | 2.59 | 14.08 | - | 232 | - | 0.08 | 14.00 |

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

| System | Employer Contributions | | Employee Contributions | |
|--|-------------------------------|------------------|-------------------------------|----------------|
| Noncontributory System | \$ | 1,896,963 | \$ | - |
| Public Safety System | | 499,466 | | - |
| Firefighters System | | 109,166 | | 455,105 |
| Tier 2 Public Employees System | | 1,261,852 | | - |
| Tier 2 Public Safety and Firefighter | | 1,496,437 | | 98,717 |
| Tier 2 DC Only System | | 68,035 | | 0 |
| Tier 2 DC Public Safety and Firefighter System | | 74,032 | | 0 |
| Total Contributions | \$ | 5,405,951 | \$ | 553,822 |

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.

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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a net pension asset of \$1,757,000 and a net pension liability of \$6,115,558:

| | <u>(Measurement Date): December 31, 2023</u> | | | | Change |
|---|--|--------------------------|----------------------------|--|------------------------------|
| | Net Pension Liability | Net Pension Asset | Proportionate Share | Proportionate Share December 31, 2022 | (Decrease) / Increase |
| Noncontributory System | \$ 2,654,092 | \$ - | 1.1442200% | 1.0894493% | 0.0547707% |
| Public Safety System | 2,231,375 | - | 1.5602229 | 1.6292235 | (0.0690006) |
| Firefighters System | - | 1,757,000 | 7.4863363 | 7.3387121 | 0.1476242 |
| Tier 2 Public Employees System | 550,963 | - | 0.2830703 | 0.2629057 | 0.0201646 |
| Tier 2 Public Safety and Firefighter System | 679,128 | - | 1.8028733 | 1.7441811 | 0.0586922 |
| | <u>\$ 6,115,558</u> | <u>\$ 1,757,000</u> | | | |

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of 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, 2024, the combined City recognized a pension expense of \$3,964,113.

At June 30, 2024, the combined City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---------------------------------------|--------------------------------------|
| Differences between expected and actual experience | \$ 3,942,052 | \$ 55,383 |
| Changes in assumptions | 1,988,314 | 14,370 |
| Net difference between projected and actual earnings on pension plan investments | 1,640,887 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 155,070 | 148,000 |
| Contributions subsequent to the measurement date | 2,698,002 | - |
| | <u>\$ 10,424,325</u> | <u>\$ 217,753</u> |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

A total of \$2,698,002 was reported as deferred outflows of resources related to pensions results from contributions made by the combined city prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended December 31,</u> | <u>Net Deferred Outflows (Inflows) of Resources</u> | |
|--------------------------------|---|-----------|
| 2024 | \$ | 1,918,947 |
| 2025 | | 1,791,830 |
| 2026 | | 3,342,088 |
| 2027 | | (427,054) |
| 2028 | | 118,486 |
| Thereafter | | 764,270 |

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CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, the City recognized pension expense of \$1,846,243.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,858,426 | \$ - |
| Changes in assumptions | 796,437 | - |
| Net difference between projected and actual earnings on pension plan investments | 863,087 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 10,110 | 16,064 |
| Contributions subsequent to the measurement date | 941,101 | - |
| | \$ 4,469,162 | \$ 16,064 |

A total of \$941,101 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. 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 |
|-------------------------|---|
| 2024 | \$ 1,161,860 |
| 2025 | 1,089,973 |
| 2026 | 1,622,663 |
| 2027 | (362,500) |
| 2028 | - |
| Thereafter | - |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2024, the City recognized pension expense of \$819,277.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 388,825 | \$ - |
| Changes in assumptions | 196,074 | - |
| Net difference between projected and actual earnings on pension plan investments | 319,399 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 470 | 26,384 |
| Contributions subsequent to the measurement date | 236,495 | - |
| | \$ 1,141,262 | \$ 26,384 |

A total of \$236,495 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. 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 |
|--------------------------------|---|
| 2024 | \$ 337,514 |
| 2025 | 55,991 |
| 2026 | 623,823 |
| 2027 | (138,945) |
| 2028 | - |
| Thereafter | - |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2024, the City recognized pension expense of (\$286,032).

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 1,155,175 | \$ - |
| Changes in assumptions | 185,618 | - |
| Net difference between projected and actual earnings on pension plan investments | 325,117 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 30,943 | 75,320 |
| Contributions subsequent to the measurement date | 55,912 | - |
| | \$ 1,752,765 | \$ 75,320 |

A total of \$55,912 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended December 31,</u> | Net Deferred Outflows (Inflows) of Resources |
|--------------------------------|---|
| 2024 | \$ 304,149 |
| 2025 | 490,322 |
| 2026 | 836,157 |
| 2027 | (9,095) |
| 2028 | - |
| Thereafter | - |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2024, the City recognized pension expense of \$719,094.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 176,469 | \$ 9,023 |
| Changes in assumptions | 315,368 | 436 |
| Net difference between projected and actual earnings on pension plan investments | 62,216 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 67,036 | 11,409 |
| Contributions subsequent to the measurement date | 673,497 | - |
| | \$ 1,294,588 | \$ 20,867 |

A total of \$673,497 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. 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 |
|--------------------------------|---|
| 2024 | \$ 51,479 |
| 2025 | 73,424 |
| 2026 | 126,405 |
| 2027 | 40,840 |
| 2028 | 55,815 |
| Thereafter | 252,259 |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources.

For the year ended June 30, 2024, the City recognized pension expense of \$865,531.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 363,156 | \$ 46,360 |
| Changes in assumptions | 494,817 | 13,935 |
| Net difference between projected and actual earnings on pension plan investments | 71,067 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 46,511 | 18,823 |
| Contributions subsequent to the measurement date | 790,997 | - |
| | \$ 1,766,547 | \$ 79,118 |

A total of \$790,997 was reported as deferred outflows of resources related to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023. These contributions will be recognized as a reduction of the net pension liability as of June 30, 2025. 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 |
|--------------------------------|---|
| 2024 | \$ 63,945 |
| 2025 | 82,121 |
| 2026 | 133,039 |
| 2027 | 42,646 |
| 2028 | 62,671 |
| Thereafter | 512,010 |

CITY OF SOUTH JORDAN
Notes to the Financial Statements
 June 30, 2024

Actuarial Assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation 2.50 percent
- Salary Increases 3.5 – 9.5 percent, average, including inflation
- Investment Rate of Return 6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from an actual experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Expected Return Arithmetic Basis | | |
|---------------------------|----------------------------------|---|--|
| | Target Asset Allocation | Real Return Arithmetic Basis | Long-Term Expected Portfolio Real Rate of Return |
| Equity Securities | 35.00% | 6.87% | 2.40% |
| Debt Securities | 20.00 | 1.54 | 0.31 |
| Real Assets | 18.00 | 5.43 | 0.98 |
| Private Equity | 12.00 | 9.80 | 1.18 |
| Absolute Return | 15.00 | 3.86 | 0.58 |
| Cash and Cash Equivalents | - | 0.24 | - |
| Totals | 100.00% | | 5.45% |
| | | Inflation | 2.50% |
| | | Expected Arithmetic Nominal Return | 7.95% |

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.35 percent that is net of investment expense.

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

Discount Rate: The discount rate used to measure the total pension liability was 6.85 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.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following table presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 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 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

| System | 1% Decrease or 5.85% | Discount Rate of 6.85% | 1% Increase or 7.85% |
|--------------------------------------|-----------------------------|-------------------------------|-----------------------------|
| Noncontributory System | \$ 13,774,599 | \$ 2,654,092 | \$ (6,658,577) |
| Public Safety System | 7,001,443 | 2,231,375 | (1,655,936) |
| Firefighters System | 2,096,694 | (1,757,000) | (4,890,635) |
| Tier 2 Public Employees System | 1,893,029 | 550,963 | (489,810) |
| Tier 2 Public Safety and Firefighter | 2,188,172 | 679,128 | (528,134) |
| Total | \$ 26,953,937 | \$ 4,358,558 | \$ (14,223,092) |

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

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material effect on the City's financial statements.

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

The City's Redevelopment Agency (RDA) has entered into an agreement to reimburse eBay Inc., for 50 percent of point-of-sale revenues generated by taxable sales and municipal energy sales and use tax in the Project Area through tax year 2020. The City has entered into an agreement to reimburse the RDA for this amount. Additional information and notes are found in Note 16 on tax abatements. The company is required to submit written notice and supporting documentation to the City to be reimbursed, which they have not done since fiscal year 2015. It is estimated the City will owe approximately \$885,000 upon fulfillment of the agreement.

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NOTE 13 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Concerning the high deductible, the City pays the first \$500,000 of each claim as its liability or high deductible. The Travelers' package liability policy takes over additional covered loss up to an aggregate per year of \$10,000,000 when considering both Primary and Umbrella policies. The city also purchases commercial insurance for risks or maintains the risk at the City level. Various additional policies are purchased through an insurance broker to cover theft, damages, and other exposures. A deductible applies to these that the City pays in the event of any loss. The City also has a workers compensation policy. The City has not incurred a claim in excess of its coverage for any of the past four fiscal years.

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NOTE 14 – REDEVELOPMENT AGENCY

The Redevelopment Agency of the City of South Jordan is established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2024, the following activity occurred in the City’s Redevelopment Agency:

| | |
|---|--------------|
| Tax increment collection from other taxing agencies for various project areas | \$10,793,278 |
| Tax increment distributions | 4,217,893 |
| Outstanding loans to finance RDA projects | 8,035,000 |
| Amounts expended for installation of capital improvements, other public improvements, and housing donations | 50,763 |
| Amounts expended for administrative costs | 532,224 |

Additional information or inquires can be obtained by writing to the below address:

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

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NOTE 15 - EQUITY IN JOINT VENTURE

14.1 Trans-Jordan Cities

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

A. Ownership

In accordance with the Utah Inter-local Cooperation Act, which created Trans-Jordan, all assets revert to the participating cities upon dissolution. Participants’ shares of these assets are based on each participating City’s payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Members’ participating interests are adjusted according to the above formula annually.

As of June 30, 2024, these percentages are as follows:

| <u>Participating Cities</u> | <u>Fees and Charges for Ten Preceding Years</u> | <u>Percent</u> |
|-----------------------------|---|----------------|
| Draper City | \$ 3,164,498 | 10.43% |
| Midvale City | 1,584,056 | 5.22 |
| Murray City | 2,345,447 | 7.73 |
| Riverton City | 3,402,171 | 11.22 |
| Sandy City | 8,257,724 | 27.23 |
| South Jordan City | 5,096,675 | 16.80 |
| West Jordan City | 6,478,211 | 21.37 |
| | <u>\$ 30,328,782</u> | <u>100.00%</u> |

B. Management

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

CITY OF SOUTH JORDAN
Notes to the Financial Statements
June 30, 2024

C. Financial Summary

| | <u>Trans-Jordan Cities</u> | <u>South Jordan City's Share</u> |
|--------------------------------------|--------------------------------|--------------------------------------|
| Total Assets | <u>\$ 69,009,632</u> | <u>\$ 11,593,618</u> |
| Total Deferred Outflows of Resources | <u>802,677</u> | <u>134,851</u> |
| Total Liabilities | <u>25,451,380</u> | <u>4,275,832</u> |
| Total Deferred Inflows of Resources | <u>199,019</u> | <u>33,435</u> |
| | | |
| Total Net Position | <u>\$ 44,161,910</u> | <u>\$ 7,419,201</u> |
| | | |
| Total Operating Revenues | <u>\$ 13,866,771</u> | <u>\$ 2,329,618</u> |
| Total Operating Expenses | <u>(10,844,819)</u> | <u>(1,821,930)</u> |
| Net Operating Income | <u>3,021,952</u> | <u>507,688</u> |
| Total Non-Operating Income (Expense) | <u>2,188,558</u> | <u>367,678</u> |
| | | |
| Change in Net Position | <u>\$ 5,210,510</u> | <u>\$ 875,366</u> |

D. Long-Term Liability

The joint venture has the following long-term liability:

| | <u>Total Amount</u> | <u>South Jordan City's Share</u> |
|------------------------------------|-------------------------|--------------------------------------|
| Closure and Post-Closure Liability | <u>\$ 4,206,280</u> | <u>\$ 706,655</u> |

E. Address

Audited financial statements for Trans-Jordan Cities are available at the Trans-Jordan office:

Trans-Jordan Cities
10873 South 7200 West
South Jordan, UT 84095

14.2 Bingham Creek Regional Park Authority

The City of South Jordan has 50 percent ownership in a newly created Bingham Creek Regional Park Authority, a joint venture established in 2020 by inter-local agreement with Salt Lake County. The newly created Bingham Creek Regional Park will include approximately 160 acres of land. The City's investment in the Bingham Creek Regional Park Authority to date is estimated to be \$18,000,000, which has been included in the governmental activity as an investment in joint ventures in the government-wide statement of net position.

The Bingham Creek Regional Park is governed by a Board of Trustees consisting of seven appointed members. Both the City and County will each appoint one member who is a merit employee from their Department of Parks and Recreation and Division of Parks and Recreation, respectively. All members of the Board must be mutually agreed upon and appointed by both the City and County. The City and County will each be responsible to fund 50 percent of the maintenance/operation budget of the Park Authority.

For the first ten years following the operational effective date of the park, Salt Lake County will be responsible for daily management, operation and maintenance of the park. After ten years, if both parties agree, the Park Authority may solicit proposals for another entity to operate and maintain the park. During the initial ten years, the county will be responsible for preparing the proposed annual maintenance and operation budget for the regional park, which will be submitted and approved by the Park Authority. The fiscal year end for the Park Authority is December 31, 2024 and financial statements should be issued within 6 months of that date.

Revenues to maintain and operate the park are generated from equal contributions from South Jordan City and Salt Lake County. Contributions from the City totaled \$236,245 during the year ended June 30, 2024. Additional information about this entity and financial statements for the Bingham Regional Creek Park Authority may be obtained from the Bingham Creek Regional Park Authority.

Bingham Creek Regional Park Authority
1600 W Towne Center Dr.
South Jordan, UT 84095
(801) 446-4357

NOTE 16 – TAX ABATEMENT AGREEMENTS

Utah State law (see Utah Code Ann. 17C-1-409) allows cities to abate taxes for a variety of economic development purposes. The City of South Jordan reports its Redevelopment Agency (RDA) as a blended component unit. The City of South Jordan RDA has authority to negotiate tax abatement agreements on an individual basis. As of June 30, 2024, the City's RDA currently manages eight (8) project areas and at times enters into agreements with developers that result in a GASB 77 disclosure requirement for tax abatements and forgone revenue. The City's RDA has tax abatement agreements with four participants where specific action, which contributes to economic development, must be taken by the entity receiving the abatement.

1) Riverton Chevrolet - To help entice the participant to move operations to the Project Area, the RDA has agreed to pay a portion of the City's sales tax to provide a financial incentive to Riverton Chevrolet to construct a new facility and begin operation within 18 months of the signed agreement. As part of the development agreement entered into on November 17, 2015, upon written notice the RDA shall pay 30 percent of the Point of Sale Tax (POST) generated by sales within the Project Area for no more than 10 years and ending after tax year 2030. In addition, the RDA agreed to pay all permit and building fees above \$100,000 owed by the company for building and constructing this new facility. The City will pay to the RDA a portion of the City's sales tax revenue generated within the Project Area. The incentive paid is limited to \$65,000 in a calendar year and is limited to no more than \$550,000 under the current agreement. The incentive payments started in 2017 and the amount paid in fiscal year 2024 is \$65,000. No building or permit fees were paid in fiscal year 2024.

2) Tim Dahle Imports, Inc. - To help entice the participant to move operations to the Project Area, the RDA has agreed to pay a portion of the City's sales tax to provide a financial incentive to Tim Dahle Imports, Inc. to construct a new facility and begin operation within 18 months of the signed agreement. As part of the development agreement entered into on November 21, 2014, upon written notice the RDA shall pay 30 percent of the Point of Sale Tax (POST) generated by sales within the Project Area for no more than 12 years and all permit and building fees above \$100,000 owed by the company for building and constructing this new facility. The City will pay to the RDA a portion of the City's sales tax revenue generated within the Project Area. The incentive paid is limited to \$60,000 in a calendar year and is limited to no more than \$500,000 under the current agreement. In fiscal year 2024, the amount paid is \$60,000. No building or permit fees were paid in fiscal year 2024.

3) eBay Inc. and Subsidiaries – To help entice and assist in the completion of constructing, opening, and operating a 250,000 square feet or larger data center within the Project Area, the RDA incentivized eBay Inc., by agreeing to pay to a portion of the City’s sales tax and municipal energy sales and use tax revenues. In addition, the City will waive site plan approval, building permit fees and credit all impact fees for the Project Site. As part of the development agreement entered into on July 16, 2009, upon written notice the RDA will pay one-half of the City’s point-of-sale sales tax revenues generated by taxable sales and energy sales made within the project site for the tax years 2009-2020. The City will pay to the RDA a portion of the City’s sales tax revenue and municipal energy sales and use tax revenues generated within the Project Area. In fiscal year 2024, the RDA paid \$0 in sales tax and energy sales tax incentives and the City waived \$0 in site plans, building permits, and impact fees.

In addition, as part of the agreement entered on July 16, 2009, the RDA also agreed to pay eBay, Inc. 40.75 percent of Jordan School District’s portion of tax increment and 92.5 percent of the remaining RDA available tax increment above the 2007 taxable amount within the Project Site for a period of 10 years beginning in tax year 2010. The last tax increment payment was made to eBay in May 2021. This amount is limited to the amounts available after other obligations, including infrastructure reimbursements and limitations agreed upon under inter-local agreements with Jordan School District, South Valley Sewer District, Salt Lake County, Jordan Valley Water Conservancy District, and Central Utah Water Conservancy District. As part of this agreement, the RDA also agreed to pay 31.375 percent of the increment to Jordan School District as part of an inter-local agreement, which includes its portion of the tax increment (20.375 percent) which passed through the RDA. In fiscal year 2024, the RDA paid \$0 to eBay Inc.

4) Merit Medical Systems, Inc. - To help entice and assist the company in expanding the existing Merit Medical facility and constructing several new facilities in phases, the RDA has agreed to pay Merit Medical a portion of its tax increment generated in the Project Area. In addition, Merit Medical agreed to a phased increase in employment with full build-out employment to employ at least 500 people in addition to the 200 already employed for at least 15 years. As part of the agreement entered into on March 29, 2007, the RDA has agreed to reimburse to Merit Medical 65 percent of eligible Project Area tax increment received by the RDA arising from Merit Medical construction of improvements within the Project Area. The original participation agreement concluded in tax year 2021 and the last payment under this agreement was made in fiscal year 2021.

In 2018, the RDA taxing entity committee extended Merit Medical’s project area an additional fifteen (15) years. The extension period started in tax year 2022. This was done to help entice and assisted the company to continue expanding the existing Merit Medical facility and constructing several additional facilities in phases. The RDA has agree to pay Merit Medical a portion of its tax increment generated in the project area. Merit Medical has agreed to a phased increase in full-time employment to employ at least an additional 2,433 people over the 15 year extension period. This is in addition to the 1,962 already employed as of December 31, 2019. As part of the participation agreement entered into on August 6, 2020, the RDA has agreed to reimburse to Merit Medical 87.5 percent of eligible project area tax increment actually received by the RDA arising from Merit Medical construction of improvements within the project area. In fiscal year 2024, the amount paid is \$991,283.

Utah Code 5-1-403 prohibits the release of sales tax information specific to a particular entity. Therefore, no further detail can be provided regarding the sales tax abatement agreements listed above.

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NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES

Implementing Authoritative Guidance:

The City implemented GASB Statement No. 101, Compensated Absences, in fiscal year 2024. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

Accrued sick time is now part of the liability reported as compensated absences. Sick time liability is calculated based on the past five year average of all employees sick time used, then applied to each employee.

Implementation of GASB Statement No. 101 changed the beginning compensated balances and resulted in a decrease in Net Positions by \$1,115,287 in the Governmental activities and by \$87,543 in the Business type activities.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SOUTH JORDAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|---|--------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Property Tax - Current | \$ 15,719,035 | \$ 15,719,035 | \$ 15,803,157 | \$ 84,122 |
| Property Tax - Delinquent | 120,000 | 120,000 | 172,873 | 52,873 |
| Motor Vehicle Tax | 882,322 | 882,322 | 847,827 | (34,495) |
| Sales and Use Tax | 27,447,272 | 27,447,272 | 24,168,573 | (3,278,699) |
| Penalties and Interest | 10,000 | 10,000 | 56,854 | 46,854 |
| Telecommunications Tax | 630,000 | 630,000 | 591,141 | (38,859) |
| Energy Sales and Use Tax | 5,130,031 | 5,130,031 | 5,825,501 | 695,470 |
| Cable TV Franchise Tax | 501,810 | 501,810 | 400,999 | (100,811) |
| Transient Room Tax | 151,500 | 151,500 | 256,819 | 105,319 |
| Total Taxes | 50,591,970 | 50,591,970 | 48,123,744 | (2,468,226) |
| Licenses and Permits | | | | |
| Building Permits | 3,683,757 | 3,683,757 | 1,678,797 | (2,004,960) |
| Business Licenses | 190,000 | 190,000 | 215,474 | 25,474 |
| Solid Waste License Fee | 120,000 | 120,000 | 184,642 | 64,642 |
| Miscellaneous | 351,500 | 351,500 | 313,554 | (37,946) |
| Total Licenses and Permits | 4,345,257 | 4,345,257 | 2,392,468 | (1,952,789) |
| Intergovernmental Revenues | | | | |
| Federal Grants | 90,000 | 90,000 | 59,579 | (30,421) |
| State Grants | - | 34,693 | 45,356 | 10,663 |
| County Grants | - | - | 72,500 | 72,500 |
| Liquor Fund Allotment | 60,000 | 60,000 | 82,962 | 22,962 |
| Total Intergovernmental Revenues | 150,000 | 184,693 | 260,397 | 75,704 |
| Charges for Services | | | | |
| Administrative Fees | 4,971,385 | 4,971,385 | 4,971,385 | - |
| Ambulance Fees | 1,859,452 | 2,017,452 | 2,678,639 | 661,187 |
| Cemetery Fees | 395,000 | 395,000 | 436,130 | 41,130 |
| Plan Check and Inspection Fees | 48,200 | 48,200 | 261,034 | 212,834 |
| Program and Event Fees | 201,650 | 201,650 | 331,739 | 130,089 |
| Zoning and Subdivision Fees | 660,000 | 660,000 | (17,847) | (677,847) |
| Other Services | 141,650 | 141,650 | 438,207 | 296,557 |
| Total Charges for Services | 8,277,337 | 8,435,337 | 9,099,286 | 663,949 |
| Fines and Forfeitures | 490,000 | 490,000 | 493,325 | 3,325 |
| Miscellaneous Revenue | | | | |
| Investment Earnings | 250,000 | 500,000 | 6,079,108 | 5,579,108 |
| Sundry Revenue | 346,000 | 346,500 | 781,265 | 434,765 |
| Total Miscellaneous Revenue | 596,000 | 846,500 | 6,860,373 | 6,013,873 |
| Total Revenue | 64,450,564 | 64,893,757 | 67,229,592 | 2,335,835 |

(Continued)

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

CITY OF SOUTH JORDAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|----------------------|----------------------|----------------------|--------------------------------|
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | | | | |
| General Administration | \$ 2,429,095 | \$ 2,344,095 | \$ 2,030,223 | \$ 313,872 |
| City Commerce | 356,793 | 374,033 | 364,917 | 9,116 |
| City Recorder | 451,983 | 451,983 | 339,775 | 112,208 |
| Finance | 3,325,002 | 4,089,488 | 3,769,882 | 319,606 |
| Human Resources | 895,555 | 900,705 | 793,418 | 107,287 |
| Office of the City Attorney | 1,352,270 | 1,417,270 | 1,375,043 | 42,227 |
| Total General Government | <u>8,810,698</u> | <u>9,577,574</u> | <u>8,673,258</u> | <u>904,316</u> |
| Administrative Services | | | | |
| Administration | 1,405,587 | 1,445,587 | 1,382,820 | 62,767 |
| Facilities | 1,537,940 | 1,597,940 | 1,590,390 | 7,550 |
| Information Services | 2,359,512 | 2,428,712 | 2,312,458 | 116,254 |
| Justice Court | 738,570 | 738,570 | 683,735 | 54,835 |
| Risk Management | - | - | - | - |
| Total Administrative Services | <u>6,041,609</u> | <u>6,210,809</u> | <u>5,969,402</u> | <u>241,407</u> |
| Recreation Programs | | | | |
| Total Recreation Programs | <u>2,206,883</u> | <u>2,249,085</u> | <u>2,231,428</u> | <u>17,657</u> |
| Development Services | | | | |
| Building | 2,011,395 | 2,011,395 | 1,940,883 | 70,512 |
| Engineering | 3,122,537 | 3,122,537 | 3,026,794 | 95,743 |
| Planning | 1,017,716 | 1,017,716 | 893,520 | 124,196 |
| Total Development Services | <u>6,151,648</u> | <u>6,151,648</u> | <u>5,861,196</u> | <u>290,452</u> |
| Public Works | | | | |
| Administration | 1,283,687 | 1,283,687 | 1,109,745 | 173,942 |
| Cemetery | 361,678 | 361,678 | 360,788 | 890 |
| Fleet | 1,613,680 | 1,613,680 | 1,600,839 | 12,841 |
| Parks | 4,259,902 | 4,344,902 | 4,230,182 | 114,720 |
| Streets | 2,883,173 | 2,874,978 | 2,598,377 | 276,601 |
| Total Public Works | <u>10,402,120</u> | <u>10,478,925</u> | <u>9,899,931</u> | <u>578,994</u> |
| Public Safety | | | | |
| Fire | 12,589,518 | 12,766,211 | 12,311,149 | 455,062 |
| Police & Animal Control | 14,078,438 | 14,387,795 | 12,498,419 | 1,889,376 |
| Total Public Safety | <u>26,667,956</u> | <u>27,154,006</u> | <u>24,809,568</u> | <u>2,344,438</u> |
| Debt Service | | | | |
| Principal | 223,387 | 223,387 | 223,387 | - |
| Interest and Fees | 24,192 | 24,192 | 24,192 | - |
| Total Debt Service | <u>247,580</u> | <u>247,580</u> | <u>247,579</u> | <u>-</u> |
| Capital Outlay | | | | |
| Total Expenditures | <u>32,300</u> | <u>32,300</u> | <u>32,322</u> | <u>(22)</u> |
| Total Expenditures | | | | |
| Total Expenditures | <u>60,560,793</u> | <u>62,101,926</u> | <u>57,724,685</u> | <u>4,377,241</u> |
| Excess (Deficiency) of Revenues Over Expenditures | | | | |
| Excess (Deficiency) of Revenues Over Expenditures | <u>3,889,771</u> | <u>2,791,831</u> | <u>9,504,907</u> | <u>6,713,076</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 233,301 | 233,301 |
| Lease Financing | - | - | - | - |
| Transfers In | 1,039,705 | 1,039,705 | 1,039,705 | - |
| Transfers Out | (4,930,277) | (4,353,986) | (9,166,944) | (4,812,958) |
| Total Other Financing Sources (Uses) | <u>(3,890,572)</u> | <u>(3,314,281)</u> | <u>(7,893,938)</u> | <u>(4,579,657)</u> |
| Net Change in Fund Balance | | | | |
| Net Change in Fund Balance | (801) | (522,450) | 1,610,969 | 2,133,419 |
| Fund Balance - July 1 | 19,027,972 | 19,027,972 | 19,027,972 | - |
| Fund Balance - June 30 | <u>\$ 19,027,171</u> | <u>\$ 18,505,522</u> | <u>\$ 20,638,942</u> | <u>\$ 2,133,419</u> |

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

Redevelopment Agency Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|----------------------|----------------------|----------------------|--------------------------------|
| REVENUES | | | | |
| Taxes | \$ 14,265,000 | \$ 14,265,000 | \$ 2,312,135 | \$ (11,952,865) |
| Intergovernmental Revenues | - | - | 10,793,278 | 10,793,278 |
| Interest | 30,000 | 30,000 | 1,623,625 | 1,593,625 |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>14,295,000</u> | <u>14,295,000</u> | <u>14,729,038</u> | <u>434,038</u> |
| EXPENDITURES | | | | |
| General Government | 629,923 | 629,923 | 532,224 | 97,699 |
| Capital Outlay and Projects | 1,020,000 | 1,020,000 | 50,763 | 969,237 |
| Tax Increment Distributions | 4,366,500 | 4,366,500 | 4,217,893 | 148,607 |
| Housing Assistance | - | - | - | - |
| Debt Service | | | | |
| Principal Retirement | - | - | - | - |
| Interest and Fees | - | - | - | - |
| Issuance Cost | - | - | - | - |
| Total Expenditures | <u>6,016,423</u> | <u>6,016,423</u> | <u>4,800,880</u> | <u>1,215,543</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>8,278,577</u> | <u>8,278,577</u> | <u>9,928,159</u> | <u>1,649,582</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (3,391,430) | (3,391,430) | (3,391,430) | - |
| Total Other Financing Sources (Uses) | <u>(3,391,430)</u> | <u>(3,391,430)</u> | <u>(3,391,430)</u> | <u>-</u> |
| Net Change in Fund Balance | 4,887,147 | 4,887,147 | 6,536,729 | 1,649,582 |
| Fund Balance - July 1 | 20,816,138 | 26,566,473 | 26,566,473 | - |
| Fund Balance - June 30 | <u>\$ 26,566,473</u> | <u>\$ 31,453,620</u> | <u>\$ 33,103,202</u> | <u>\$ 1,649,582</u> |

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

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability

For the Year Ended June 30, 2024

Last 10 Fiscal Years*

| | Year Ended 12/31 | Noncontributory Retirement System | Contributory Retirement System | Public Safety System | Firefighters System | Tier 2 Public Employees System | Tier 2 Public Safety and Firefighters System |
|--|------------------|-----------------------------------|--------------------------------|----------------------|---------------------|--------------------------------|--|
| Proportion of the net pension liability (asset) | 2014 | N/A | 15.9106976% | 1.5301206% | 9.0584805% | 0.2047770% | 1.0058044% |
| | 2015 | 0.4305872 | 11.1214144 | 1.5826797 | 8.7521498 | 0.2390321 | 1.0052886 |
| | 2016 | 0.9541323 | 0.2254320 | 1.6078971 | 8.5699580 | 0.2334395 | 1.4288409 |
| | 2017 | 0.9922930 | 0.0410220 | 1.5724336 | 8.4505314 | 0.2454196 | 1.7373905 |
| | 2018 | 1.0347750 | 0.0000000 | 1.6743433 | 7.6484656 | 0.2596129 | 1.7802629 |
| | 2019 | 1.0520746 | 0.0000000 | 1.7480430 | 7.5987614 | 0.2559968 | 1.5723158 |
| | 2020 | 1.0530184 | 0.0000000 | 1.7499676 | 7.5599320 | 0.2409862 | 1.4367073 |
| | 2021 | 1.0721251 | 0.0000000 | 1.6108354 | 7.1784427 | 0.2456592 | 1.6252455 |
| | 2022 | 1.0894493 | 0.0000000 | 1.6292235 | 7.3387121 | 0.2629057 | 1.7441811 |
| | 2023 | 1.1442200 | 0.0000000 | 1.5602229 | 7.4863363 | 0.2830703 | 1.8028733 |
| Proportionate share of the net pension liability (asset) | 2014 | N/A | \$ 4,589,338 | \$ 1,924,254 | \$ (516,912) | \$ (6,206) | \$ (14,879) |
| | 2015 | 2,436,472 | 7,816,735 | 2,834,977 | (158,519) | (522) | (14,688) |
| | 2016 | 6,126,697 | 73,967 | 3,262,813 | (67,561) | 26,040 | (12,403) |
| | 2017 | 4,347,533 | 3,336 | 2,466,611 | (527,780) | 21,638 | (20,103) |
| | 2018 | 7,619,797 | - | 4,307,391 | 993,132 | 111,187 | 44,606 |
| | 2019 | 3,965,131 | - | 2,806,306 | (942,398) | 57,576 | 147,899 |
| | 2020 | 540,138 | - | 1,452,895 | (2,113,908) | 34,661 | 128,865 |
| | 2021 | (6,140,175) | - | (1,308,228) | (4,186,585) | (103,972) | (82,144) |
| | 2022 | 1,865,953 | - | 2,106,708 | (1,905,894) | 286,276 | 145,507 |
| | 2023 | 2,654,092 | - | 2,231,375 | (1,757,000) | 550,963 | 679,128 |
| Covered payroll | 2014 | N/A | \$ 8,124,954 | \$ 2,366,985 | \$ 2,527,510 | \$ 1,005,005 | \$ 415,986 |
| | 2015 | 350,573 | 4,495,013 | 2,403,017 | 2,509,070 | 1,544,324 | 598,369 |
| | 2016 | 7,964,173 | 346,156 | 2,369,160 | 2,524,144 | 1,914,382 | 1,180,548 |
| | 2017 | 8,158,392 | 193,363 | 2,244,157 | 2,537,667 | 2,399,675 | 1,833,435 |
| | 2018 | 8,520,578 | 176,055 | 2,284,982 | 2,463,496 | 3,033,668 | 2,380,459 |
| | 2019 | 8,749,789 | 186,643 | 2,370,215 | 2,571,107 | 3,557,764 | 2,591,748 |
| | 2020 | 8,791,928 | 193,622 | 2,416,868 | 2,611,342 | 3,852,248 | 2,853,315 |
| | 2021 | 9,008,152 | 201,854 | 2,027,406 | 2,603,866 | 4,557,885 | 3,886,584 |
| | 2022 | 9,483,490 | 219,031 | 1,953,295 | 2,863,485 | 5,734,508 | 5,366,472 |
| | 2023 | 10,316,718 | - | 1,784,131 | 3,039,925 | 7,318,327 | 6,831,161 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 2014 | N/A | 56.50% | 81.30% | -20.50% | -0.60% | -3.60% |
| | 2015 | 69.58 | 173.90 | 117.98 | -6.32 | -0.03 | -2.45 |
| | 2016 | 76.93 | 21.37 | 137.72 | -2.68 | 1.36 | -1.05 |
| | 2017 | 53.29 | 1.73 | 109.91 | -20.80 | 0.90 | -1.10 |
| | 2018 | 89.43 | 0.00 | 188.51 | 40.31 | 3.67 | 1.87 |
| | 2019 | 45.32 | 0.00 | 118.40 | -36.65 | 1.62 | 5.71 |
| | 2020 | 6.14 | 0.00 | 60.11 | -80.95 | 0.90 | 4.52 |
| | 2021 | -68.16 | 0.00 | -64.53 | -160.78 | -2.28 | -2.11 |
| | 2022 | 19.68 | 0.00 | 107.85 | -66.56 | 4.99 | 2.71 |
| | 2023 | 25.73 | 0.00 | 125.07 | -57.80 | 7.53 | 9.94 |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 2014 | N/A | 94.00% | 90.50% | 103.50% | 103.50% | 120.50% |
| | 2015 | 87.80 | 85.70 | 87.10 | 101.00 | 100.20 | 110.70 |
| | 2016 | 87.30 | 92.90 | 86.50 | 100.40 | 95.10 | 103.60 |
| | 2017 | 91.90 | 98.20 | 90.20 | 103.00 | 97.40 | 103.00 |
| | 2018 | 87.00 | 0.00 | 84.70 | 94.30 | 90.80 | 95.60 |
| | 2019 | 93.70 | 0.00 | 90.90 | 105.00 | 96.50 | 89.60 |
| | 2020 | 99.20 | 0.00 | 95.50 | 110.50 | 98.30 | 93.10 |
| | 2021 | 108.70 | 0.00 | 104.20 | 120.10 | 103.80 | 102.80 |
| | 2022 | 97.50 | 0.00 | 93.60 | 108.40 | 92.30 | 96.40 |
| | 2023 | 96.90 | 0.00 | 93.44 | 106.79 | 89.58 | 89.10 |

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

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

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of Contributions - Utah Retirement Systems

For the Year Ended June 30, 2024

Last 10 Fiscal Years*

| | 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 Employee Payroll |
|------------------------|------------------------------------|--|--|--|--------------------|---|
| Noncontributory System | 2015 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| | 2016 | 1,349,864 | 1,349,864 | - | 7,322,154 | 18.44 |
| | 2017 | 1,447,911 | 1,447,911 | - | 7,842,666 | 18.46 |
| | 2018 | 1,592,939 | 1,592,939 | - | 8,631,746 | 18.45 |
| | 2019 | 1,597,253 | 1,597,253 | - | 8,650,388 | 18.46 |
| | 2020 | 1,627,767 | 1,627,767 | - | 8,816,414 | 18.46 |
| | 2021 | 1,634,374 | 1,634,374 | - | 8,852,191 | 18.46 |
| | 2022 | 1,678,609 | 1,678,609 | - | 9,091,359 | 18.46 |
| | 2023 | 1,791,419 | 1,791,419 | - | 9,977,802 | 17.95 |
| | 2024 | 1,896,963 | 1,896,963 | - | 10,589,049 | 17.91 |
| Contributory System | 2015 | 1,124,360 | 1,124,360 | - | 8,057,798 | 13.95 |
| | 2016 | 60,041 | 60,041 | - | 694,295 | 8.65 |
| | 2017 | 3,559 | 3,559 | - | 233,903 | 1.52 |
| | 2018 | - | - | - | - | 1.52 |
| | 2019 | - | - | - | - | 0.00 |
| | 2020 | - | - | - | - | 0.00 |
| | 2021 | - | - | - | - | 0.00 |
| | 2022 | - | - | - | - | 0.00 |
| | 2023 | - | - | - | - | 0.00 |
| | 2024 | - | - | - | - | 0.00 |
| Public Safety System | 2015 | 749,038 | 749,038 | - | 2,366,556 | 31.65 |
| | 2016 | 768,271 | 768,271 | - | 2,382,640 | 32.24 |
| | 2017 | 718,108 | 718,108 | - | 2,209,839 | 32.50 |
| | 2018 | 774,466 | 774,466 | - | 2,364,026 | 32.76 |
| | 2019 | 752,012 | 752,012 | - | 2,296,594 | 32.74 |
| | 2020 | 807,189 | 807,189 | - | 2,461,313 | 32.80 |
| | 2021 | 706,490 | 706,490 | - | 2,172,645 | 32.52 |
| | 2022 | 646,703 | 646,703 | - | 2,002,101 | 32.30 |
| | 2023 | 625,717 | 625,717 | - | 1,948,760 | 32.11 |
| | 2024 | 499,466 | 499,466 | - | 1,599,466 | 31.23 |
| Firefighters System | 2015 | 91,460 | 91,460 | - | 2,546,689 | 3.59 |
| | 2016 | 92,188 | 92,188 | - | 2,465,534 | 3.74 |
| | 2017 | 93,514 | 93,514 | - | 2,473,256 | 3.78 |
| | 2018 | 98,712 | 98,712 | - | 2,581,017 | 3.82 |
| | 2019 | 108,893 | 108,893 | - | 2,485,818 | 4.38 |
| | 2020 | 115,760 | 115,760 | - | 2,652,323 | 4.36 |
| | 2021 | 110,812 | 110,812 | - | 2,579,841 | 4.30 |
| | 2022 | 112,240 | 112,240 | - | 2,646,554 | 4.24 |
| | 2023 | 101,323 | 101,323 | - | 3,011,042 | 3.37 |
| | 2024 | 109,166 | 109,166 | - | 3,202,782 | 3.41 |

(Continued)

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

CITY OF SOUTH JORDAN

Required Supplementary Information

Schedule of Contributions - Utah Retirement Systems

For the Year Ended June 30, 2024

Last 10 Fiscal Years*

| | 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 Employee Payroll |
|---|------------------------------------|--|--|--|--------------------|---|
| Tier 2 Public Employees System** | 2015 | \$ 212,074 | \$ 212,074 | \$ - | \$ 1,269,900 | 16.70% |
| | 2016 | 260,805 | 260,805 | - | 1,742,556 | 14.97 |
| | 2017 | 304,698 | 304,698 | - | 2,043,586 | 14.91 |
| | 2018 | 433,170 | 433,170 | - | 2,866,749 | 15.11 |
| | 2019 | 504,781 | 504,781 | - | 3,248,260 | 15.54 |
| | 2020 | 578,775 | 578,775 | - | 3,695,885 | 15.66 |
| | 2021 | 652,276 | 652,276 | - | 4,128,325 | 15.80 |
| | 2022 | 830,385 | 830,385 | - | 5,167,303 | 16.07 |
| | 2023 | 1,036,286 | 1,036,286 | - | 6,472,739 | 16.01 |
| | 2024 | 1,261,852 | 1,261,852 | - | 7,881,653 | 16.01 |
| Tier 2 Public Safety and Firefighter System** | 2015 | 86,204 | 86,204 | - | 476,510 | 18.09 |
| | 2016 | 141,816 | 141,816 | - | 799,358 | 17.70 |
| | 2017 | 248,753 | 248,753 | - | 1,524,448 | 16.32 |
| | 2018 | 354,986 | 354,986 | - | 2,147,268 | 16.53 |
| | 2019 | 454,102 | 454,102 | - | 2,573,867 | 17.64 |
| | 2020 | 474,866 | 474,866 | - | 2,668,720 | 17.79 |
| | 2021 | 643,787 | 643,787 | - | 3,190,850 | 20.18 |
| | 2022 | 947,135 | 947,135 | - | 4,645,275 | 20.39 |
| | 2023 | 1,227,541 | 1,227,541 | - | 6,042,951 | 20.31 |
| | 2024 | 1,496,437 | 1,496,437 | - | 7,447,343 | 20.09 |
| Tier 2 Public Employees DC Only System** | 2015 | 20,519 | 20,519 | - | 242,289 | 8.47 |
| | 2016 | 25,377 | 25,377 | - | 376,462 | 6.74 |
| | 2017 | 33,841 | 33,841 | - | 505,851 | 6.69 |
| | 2018 | 38,183 | 38,183 | - | 571,342 | 6.68 |
| | 2019 | 39,671 | 39,671 | - | 592,989 | 6.69 |
| | 2020 | 52,603 | 52,603 | - | 786,292 | 6.69 |
| | 2021 | 55,387 | 55,387 | - | 827,913 | 6.69 |
| | 2022 | 52,139 | 52,139 | - | 779,365 | 6.69 |
| | 2023 | 66,408 | 66,408 | - | 1,072,818 | 6.19 |
| | 2024 | 68,035 | 68,035 | - | 1,099,108 | 6.19 |
| Tier 2 Public Safety and Firefighter DC Only System** | 2015 | 17 | 17 | - | 147 | 11.83 |
| | 2016 | - | - | - | - | 0.00 |
| | 2017 | - | - | - | - | 0.00 |
| | 2018 | 43 | 43 | - | 53,488 | 0.08 |
| | 2019 | 7,557 | 7,557 | - | 213,596 | 3.54 |
| | 2020 | 17,054 | 17,054 | - | 333,107 | 5.12 |
| | 2021 | 18,377 | 18,377 | - | 356,471 | 5.16 |
| | 2022 | 29,035 | 29,035 | - | 534,886 | 5.43 |
| | 2023 | 37,622 | 37,622 | - | 701,919 | 5.36 |
| | 2024 | 74,032 | 74,032 | - | 1,100,273 | 6.73 |

* In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

** Contributions in the Tier 2 system include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

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

CITY OF SOUTH JORDAN
Notes to Required Supplementary Information
June 30, 2024

1. BUDGETARY INFORMATION

Budgets for the General Fund and the redevelopment agency are adopted and presented on a basis consistent with Generally Accepted Accounting Principles (GAAP).

2. DEFINED CONTRIBUTION SYSTEM

The City participates in a defined contribution plan with Utah Retirement Systems and are generally supplemental plans to the basic retirement benefits for 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 South Jordan participates in the following Defined Contribution Savings Plans with Utah Retirement Systems: 401(k), 457(b), Roth IRA Plan, and Traditional IRA Plan.

A summary of the contributions made for fiscal year ended June 30, 2024, were as follows:

| | 2024 | | 2023 | | 2022 | |
|------------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|
| <i>401(k) Plan</i> | | | | | | |
| Employer Contribution | \$ | 1,288,424 | \$ | 1,132,041 | \$ | 1,002,507 |
| Employee Contribution | \$ | 1,169,788 | \$ | 1,034,843 | \$ | 968,269 |
| <i>457 Plan</i> | | | | | | |
| Employer Contribution | \$ | 553,284 | \$ | 465,706 | \$ | 379,741 |
| Employee Contribution | \$ | 697,549 | \$ | 653,785 | \$ | 563,029 |
| <i>Roth IRA Plan</i> | | | | | | |
| Employer Contribution | | N/A | | N/A | | N/A |
| Employee Contribution | \$ | 228,853 | \$ | 212,495 | \$ | 153,207 |
| <i>Traditional IRA Plan</i> | | | | | | |
| Employer Contribution | | N/A | | N/A | | N/A |
| Employee Contribution | \$ | 4,285 | \$ | 4,165 | \$ | 4,470 |

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

3. CHANGE IN ASSUMPTIONS

No changes were made in actuarial assumptions from the prior year's valuation.



SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

- 1) **Storm Drain Fund** - This fund is used to track revenue from a monthly fee paid by City residents for the maintenance of the City's storm drain system.
- 2) **CDBG Fund** - This fund is used to account for the revenues received by the City from the U.S. Department of Housing and Urban Development (HUD) as a grantee in the Community Development Block Grant (CDBG) program.
- 3) **Fitness Center Fund** - This fund is used to account for fees charged to users and expenditures dealing with operation and maintenance of the City's fitness center.
- 4) **Interfacility Ambulance Fund** - This fund is used to account for fees charged to users and expenditures dealing with the City's interfacility ambulance program.
- 5) **Municipal Building Authority (MBA) Fund** - This fund is used to account for fees charged to users and expenditures dealing with operation and maintenance of the City's fitness center.

CAPITAL PROJECTS FUND

Capital project funds are used to account for the construction of budgeted capital projects within the City.

- 1) **Capital Projects Fund** - This fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants, transfers from the General Fund, state road funds, local transportation tax, and interest earnings are the principal sources of funding for these projects.

DEBT SERVICE FUND

Debt service funds are used to account for the accumulation of resources and payment of bond principal and interest.

- 1) **Debt Service Fund** - This fund is used to account for the accumulation of resources and payment of bond principal and interest.

CITY OF SOUTH JORDAN
Combining Balance Sheet
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2024

| | Special Revenue | | | | Debt Service | Total |
|--|---------------------|--------------------------------------|-------------------|-------------------------|------------------------------|---------------------|
| | Storm Drain | Community Development Building Grant | Fitness Center | Interfacility Ambulance | Municipal Building Authority | |
| ASSETS | | | | | | |
| Cash, Cash Equivalents, and Investments | \$ 898,000 | \$ - | \$ 143,080 | \$ 1,602,951 | \$ 2,248 | \$ 2,646,278 |
| Restricted Cash | - | - | - | - | - | - |
| Receivables | | | | | | |
| Accounts | 428,318 | 133,336 | - | 941,535 | - | 1,503,189 |
| Due From Other Funds | 74,736 | - | - | - | - | 74,736 |
| Total Assets | <u>\$ 1,401,054</u> | <u>\$ 133,336</u> | <u>\$ 143,080</u> | <u>\$ 2,544,486</u> | <u>\$ 2,248</u> | <u>\$ 4,224,203</u> |
| LIABILITIES | | | | | | |
| Accounts Payable and Accrued Liabilities | 62,887 | 58,600 | - | 459,827 | - | 581,315 |
| Due to Other Funds | - | 74,736 | - | - | - | 74,736 |
| Total Liabilities | <u>62,887</u> | <u>133,336</u> | <u>-</u> | <u>459,827</u> | <u>-</u> | <u>656,051</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - |
| Assigned | 1,338,166 | - | 143,080 | 2,084,659 | 2,248 | 3,568,153 |
| Total Fund Balances | <u>1,338,166</u> | <u>-</u> | <u>143,080</u> | <u>2,084,659</u> | <u>2,248</u> | <u>3,568,153</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,401,054</u> | <u>\$ 133,336</u> | <u>\$ 143,080</u> | <u>\$ 2,544,486</u> | <u>\$ 2,248</u> | <u>\$ 4,224,203</u> |

CITY OF SOUTH JORDAN

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

Nonmajor Governmental Funds

For the Year Ended June 30, 2024

| | Special Revenue | | | | Debt Service | Total |
|---------------------------------------|---------------------|--|--------------------|----------------------------|------------------------------------|---------------------|
| | Storm Drain | Community Development Building Grant | Fitness Center | Interfacility Ambulance | Municipal Building Authority | |
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ 448,473 | \$ - | \$ - | \$ - | \$ 448,473 |
| Charges for Services | 3,490,545 | - | - | 2,701,371 | - | 6,191,916 |
| Interest | 34,173 | - | - | 53,462 | 2,248 | 89,882 |
| Miscellaneous | 19,924 | - | - | - | - | 19,924 |
| Total Revenues | <u>3,544,642</u> | <u>448,473</u> | <u>-</u> | <u>2,754,833</u> | <u>2,248</u> | <u>6,750,196</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General Government | - | - | - | - | - | - |
| Development Services | - | 102,826 | - | - | - | 102,826 |
| Public Safety | - | - | - | 865,128 | - | 865,128 |
| Public Works | 1,958,311 | - | - | - | - | 1,958,311 |
| Recreation | - | - | - | - | - | - |
| Debt Service | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and Fees | - | - | - | - | - | - |
| Capital Outlay and Projects | 362,610 | 345,647 | - | - | - | 708,257 |
| Debt Service | | | | | | |
| Principal Retirement | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Interest and Fees | - | - | - | - | - | - |
| Total Expenditures | <u>2,320,921</u> | <u>448,473</u> | <u>-</u> | <u>865,128</u> | <u>-</u> | <u>3,634,522</u> |
| Excess (Deficiency) of | | | | | | |
| Revenues over Expenditures | <u>1,223,721</u> | <u>-</u> | <u>-</u> | <u>1,889,705</u> | <u>2,248</u> | <u>3,115,674</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Sale of Capital Assets | - | - | - | - | - | - |
| Transfers In | - | - | - | - | - | - |
| Transfers Out | (912,941) | - | (1,022,646) | (1,855,000) | (354,684) | (4,145,271) |
| Total Other Financing Sources (Uses) | <u>(912,941)</u> | <u>-</u> | <u>(1,022,646)</u> | <u>(1,855,000)</u> | <u>(354,684)</u> | <u>(4,145,271)</u> |
| Net Change in Fund Balances | 310,780 | - | (1,022,646) | 34,705 | (352,436) | (1,029,597) |
| Fund Balances - Beginning | 1,027,386 | - | 1,165,726 | 2,049,954 | 354,684 | 4,597,750 |
| Fund Balances - Ending | <u>\$ 1,338,166</u> | <u>\$ -</u> | <u>\$ 143,080</u> | <u>\$ 2,084,659</u> | <u>\$ 2,248</u> | <u>\$ 3,568,153</u> |

CITY OF SOUTH JORDAN

Storm Drain Fund

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

Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|---------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Charges for Services | \$ 3,425,089 | \$ 3,425,089 | \$ 3,490,545 | \$ 65,456 |
| Interest | 12,000 | 12,000 | 34,173 | 22,173 |
| Miscellaneous | 13,000 | 13,000 | 19,924 | 6,924 |
| Total Revenues | <u>3,450,089</u> | <u>3,450,089</u> | <u>3,544,642</u> | <u>94,553</u> |
| EXPENDITURES | | | | |
| Public Works | 2,132,011 | 2,132,011 | 1,958,311 | 173,700 |
| Capital Outlay | 375,000 | 375,000 | 362,610 | 12,390 |
| Total Expenditures | <u>2,507,011</u> | <u>2,507,011</u> | <u>2,320,921</u> | <u>186,090</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>943,078</u> | <u>943,078</u> | <u>1,223,721</u> | <u>280,643</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | - | - |
| Transfers In | - | - | - | - |
| Transfers Out | (912,941) | (912,941) | (912,941) | - |
| Total Other Financing Sources (Uses) | <u>(912,941)</u> | <u>(912,941)</u> | <u>(912,941)</u> | <u>-</u> |
| Net Change in Fund Balance | 30,137 | 30,137 | 310,780 | 280,643 |
| Fund Balance - July 1 | 1,027,386 | 1,027,386 | 1,027,386 | - |
| Fund Balance - June 30 | <u>\$ 1,057,523</u> | <u>\$ 1,057,523</u> | <u>\$ 1,338,166</u> | <u>\$ 280,643</u> |

CITY OF SOUTH JORDAN

Community Development Block Grant Fund

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

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|--------------------|------------------|-------------------|--------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 240,000 | \$ 549,278 | \$ 448,473 | \$ (100,805) |
| Total Revenues | <u>240,000</u> | <u>549,278</u> | <u>448,473</u> | <u>(100,805)</u> |
| EXPENDITURES | | | | |
| Development Services | 44,000 | 94,030 | 102,826 | (8,796) |
| Capital Outlay | 150,000 | 409,248 | 345,647 | 63,601 |
| Total Expenditures | <u>194,000</u> | <u>503,278</u> | <u>448,473</u> | <u>54,805</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>46,000</u> | <u>46,000</u> | - | <u>(46,000)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 46,000 | 46,000 | - | (46,000) |
| Fund Balance - July 1 | - | - | - | - |
| Fund Balance - June 30 | <u>\$ 46,000</u> | <u>\$ 46,000</u> | <u>-</u> | <u>\$ (46,000)</u> |

CITY OF SOUTH JORDAN

Fitness Center Fund

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

Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|---------------------------------------|--------------------|-----------------|-------------------|--------------------------------|
| REVENUES | | | | |
| Charges for Services | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | - | - | - | - |
| Total Revenues | - | - | - | - |
| EXPENDITURES | | | | |
| Recreation | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess of Revenues Over Expenditures | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | - | - |
| Transfers In | - | - | - | - |
| Transfers Out | - | (1,022,646) | (1,022,646) | - |
| Total Other Financing Sources (Uses) | - | (1,022,646) | (1,022,646) | - |
| Net Change in Fund Balance | - | (1,022,646) | (1,022,646) | - |
| Fund Balance - July 1 | 1,165,726 | 1,165,726 | 1,165,726 | - |
| Fund Balance - June 30 | \$ 1,165,726 | \$ 143,080 | 143,080 | \$ - |

CITY OF SOUTH JORDAN**Interfacility Ambulance Fund**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--------------------------------------|---------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Charges for Services | \$ 2,200,000 | \$ 2,200,000 | \$ 2,701,371 | \$ 501,371 |
| Interest | - | - | 53,462 | 53,462 |
| Total Revenues | <u>2,200,000</u> | <u>2,200,000</u> | <u>2,754,833</u> | <u>554,833</u> |
| EXPENDITURES | | | | |
| Public Safety | 1,089,294 | 1,089,294 | 865,128 | 224,166 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | <u>1,089,294</u> | <u>1,089,294</u> | <u>865,128</u> | <u>224,166</u> |
| Excess of Revenues Over Expenditures | <u>1,110,706</u> | <u>1,110,706</u> | <u>1,889,705</u> | <u>778,999</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | <u>(1,855,000)</u> | <u>(1,855,000)</u> | <u>(1,855,000)</u> | <u>-</u> |
| Total Other Financing Sources | <u>(1,855,000)</u> | <u>(1,855,000)</u> | <u>(1,855,000)</u> | <u>-</u> |
| Net Change in Fund Balance | (744,294) | (744,294) | 34,705 | 778,999 |
| Fund Balance - July 1 | <u>2,049,954</u> | <u>2,049,954</u> | <u>2,049,954</u> | <u>-</u> |
| Fund Balance - June 30 | <u>\$ 1,305,660</u> | <u>\$ 1,305,660</u> | <u>\$ 2,084,659</u> | <u>\$ 778,999</u> |

CITY OF SOUTH JORDAN**Municipal Building Authority Fund**Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--------------------------------------|--------------------|-------------------|-------------------|--------------------------------|
| REVENUES | | | | |
| Interest | \$ - | \$ - | \$ 2,248 | \$ 2,248 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>2,248</u> | <u>2,248</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | - | - | - | - |
| Interest and Fees | - | - | - | - |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>2,248</u> | <u>2,248</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | (354,684) | (354,684) |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>(354,684)</u> | <u>(354,684)</u> |
| Net Change in Fund Balance | - | - | (352,436) | (352,436) |
| Fund Balance - July 1 | 354,684 | 354,684 | 354,684 | - |
| Fund Balance - June 30 | <u>\$ 354,684</u> | <u>\$ 354,684</u> | <u>\$ 2,248</u> | <u>\$ (352,436)</u> |

CITY OF SOUTH JORDAN

Capital Projects Fund

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

Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|----------------------|----------------------|----------------------|--------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 4,035,880 | \$ 4,035,880 | \$ 5,792,632 | \$ 1,756,752 |
| Impact Fees | 1,600,000 | 1,600,000 | 940,917 | (659,083) |
| Taxes | 2,224,830 | 2,224,830 | 2,147,773 | (77,057) |
| Interest | 150,000 | 150,000 | 395,019 | 245,019 |
| Miscellaneous | - | 418,806 | 1,291,611 | 872,805 |
| Total Revenues | <u>8,010,710</u> | <u>8,429,516</u> | <u>10,567,952</u> | <u>2,138,436</u> |
| EXPENDITURES | | | | |
| Capital Outlay | | | | |
| Road and Bridge | 6,314,964 | 20,568,796 | 13,601,354 | 6,967,441 |
| Parks | 752,000 | 2,215,986 | 994,917 | 1,221,069 |
| Storm Drain | 960,000 | 5,641,847 | 1,407,520 | 4,234,327 |
| Facilities | 170,000 | 1,224,841 | 198,016 | 1,026,825 |
| Other Projects | 4,538,000 | 12,459,247 | 7,138,574 | 5,320,673 |
| Developer Reimbursement | - | 330,306 | 330,306 | - |
| Debt Service | | | | |
| Principal | - | - | 897,967 | (897,967) |
| Interest | - | - | - | - |
| Total Expenditures | <u>12,734,964</u> | <u>42,441,022</u> | <u>24,568,654</u> | <u>17,872,368</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(4,724,254)</u> | <u>(34,011,507)</u> | <u>(14,000,702)</u> | <u>20,010,805</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | - | - | 472,302 | 472,302 |
| Issuance of Loan | 737,511.00 | 737,511.00 | - | (737,511) |
| Subscription Financing | - | - | 268,478 | 268,478 |
| Transfers In | 5,634,563 | 6,680,104 | 11,478,362 | 4,798,258 |
| Transfers Out | (2,075,623) | (5,174,383) | (5,174,383) | - |
| Total Other Financing Sources (Uses) | <u>4,296,451</u> | <u>2,243,233</u> | <u>7,044,759</u> | <u>4,801,526</u> |
| Net Change in Fund Balance | (427,803) | (31,768,274) | (6,955,943) | 24,812,331 |
| Fund Balance - July 1 | 92,722,875 | 92,722,875 | 92,722,875 | - |
| Fund Balance - June 30 | <u>\$ 92,295,072</u> | <u>\$ 60,954,601</u> | <u>\$ 85,766,932</u> | <u>\$ 24,812,331</u> |

CITY OF SOUTH JORDAN**Debt Service Fund**

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

Budget and Actual

For the Year Ended June 30, 2024

| | Original Budget | Final Budget | Actual Amounts | Variances with Final Budget |
|--|---------------------|---------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Special Assessments | \$ 2,158,150 | \$ 2,158,150 | \$ 2,900,897 | \$ 742,747 |
| Interest | 10,400 | 10,400 | 20,100 | 9,700 |
| Total Revenues | <u>2,168,550</u> | <u>2,168,550</u> | <u>2,920,997</u> | <u>752,447</u> |
| EXPENDITURES | | | | |
| General Government | - | - | 79,500 | (79,500) |
| Debt Service | | | | |
| Principal | 4,129,308 | 4,129,308 | 3,959,593 | 169,715 |
| Interest and Fees | 2,736,439 | 2,736,439 | 2,520,049 | 216,390 |
| Total Expenditures | <u>6,865,747</u> | <u>6,865,747</u> | <u>6,559,142</u> | <u>306,605</u> |
| Deficiency of Revenues Over Expenditures | <u>(4,697,197)</u> | <u>(4,697,197)</u> | <u>(3,638,146)</u> | <u>1,059,051</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers In | 5,911,426 | 8,364,869 | 8,364,869 | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources | <u>5,911,426</u> | <u>8,364,869</u> | <u>8,364,869</u> | <u>-</u> |
| Net Change in Fund Balance | 1,214,229 | 3,667,672 | 4,726,724 | 1,059,051 |
| Fund Balance - July 1 | 3,708,779 | 3,708,779 | 3,708,779 | - |
| Fund Balance - June 30 | <u>\$ 4,923,008</u> | <u>\$ 7,376,451</u> | <u>\$ 8,435,503</u> | <u>\$ 1,059,051</u> |

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STATISTICAL INFORMATION

STATISTICAL SECTION

This part of the City of South Jordan’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

FINANCIAL TRENDS - These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

| | |
|--|-----|
| Net Position by Component | 133 |
| Changes in Net Position | 134 |
| Governmental Funds - Fund Balance | 136 |
| Governmental Funds - Changes in Fund Balance | 137 |

REVENUE CAPACITY - These schedules contain information to help the reader assess the City’s most significant local revenue sources: property tax, sales tax, and water revenue.

| | |
|---|-----|
| Assessed Value and Estimated Actual Value of Taxable Property | 139 |
| Property Tax Rates - Direct and Overlapping Governments | 140 |
| Principal Property Tax Payers | 141 |
| Property Tax Levied and Collections | 142 |
| Principal Sales Tax Payers | 143 |
| Direct and Overlapping Sales Tax Rates | 144 |
| Charges for Water Fees | 145 |

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

| | |
|---|-----|
| Ratios of Outstanding Debt by Type | 146 |
| Direct and Overlapping Governmental Activities Debt | 147 |
| Legal Debt Margin Information | 148 |
| Pledged Revenue Coverage | 149 |

DEMOGRAPHIC AND ECONOMIC DEVELOPMENT INFORMATION - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.

| | |
|--|-----|
| Demographic and Economic Statistics | 151 |
| Principal Employers | 152 |
| Full-time Equivalent City Government Employees by Function/Program | 153 |

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.

| | |
|--|-----|
| Capital Asset Statistics by Function/Program | 154 |
| Operating Indicators by Function/Program | 155 |

Sources: Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial reports for the relevant year.

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

| | Fiscal Year | | | | | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 213,258,424 | \$ 219,697,662 | \$ 167,503,336 | \$ 206,655,775 | \$ 198,845,888 | \$ 242,993,458 | \$ 263,334,628 | \$ 279,934,926 | \$ 282,676,062 | \$ 286,119,759 |
| Restricted | 11,103,967 | 59,790,195 | 14,205,726 | 38,025,721 | 15,570,592 | 18,313,932 | 14,643,517 | 32,681,920 | 34,917,143 | 26,052,145 |
| Unrestricted | 42,934,056 | 32,408,953 | 117,927,102 | 62,397,209 | 85,023,070 | 90,746,447 | 101,154,017 | 99,643,490 | 137,296,681 | 160,280,549 |
| Total Governmental Activities Net Position | 267,296,447 | 311,896,810 | 299,636,164 | 307,078,705 | 299,439,550 | 352,053,837 | 379,132,162 | 412,260,336 | 454,889,886 | 472,452,453 |
| Business-type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 94,420,764 | 97,282,722 | 102,908,992 | 107,291,106 | 117,353,246 | 130,438,039 | 136,480,950 | 141,873,602 | 146,498,568 | 148,153,432 |
| Restricted | 8,424,148 | 8,688,869 | 8,327,019 | 8,078,321 | 5,995,575 | 4,348,109 | 3,891,827 | 3,959,104 | 2,908,193 | 1,238,565 |
| Unrestricted | 19,649,500 | 25,024,836 | 31,892,731 | 35,117,156 | 39,063,446 | 43,681,153 | 47,284,168 | 47,885,278 | 49,862,747 | 56,337,112 |
| Total Business-type Activities Net Position | 122,494,412 | 130,996,427 | 143,128,742 | 150,486,583 | 162,412,267 | 178,467,301 | 187,656,945 | 193,717,984 | 199,269,508 | 205,729,109 |
| Primary Government | | | | | | | | | | |
| Net Investment in Capital Assets | 307,679,188 | 316,980,384 | 270,412,328 | 313,946,881 | 316,199,134 | 373,431,497 | 399,815,578 | 421,808,528 | 429,174,630 | 434,273,191 |
| Restricted | 19,528,115 | 68,479,064 | 22,532,745 | 46,104,042 | 21,566,167 | 22,662,041 | 18,535,344 | 36,641,024 | 37,825,336 | 27,290,710 |
| Unrestricted | 62,583,556 | 57,433,789 | 149,819,833 | 97,514,365 | 124,086,516 | 134,427,600 | 148,438,185 | 147,528,768 | 187,159,428 | 216,617,660 |
| Total Primary Government Net Position | \$ 389,790,859 | \$ 442,893,237 | \$ 442,764,906 | \$ 457,565,288 | \$ 461,851,817 | \$ 530,521,138 | \$ 566,789,107 | \$ 605,978,320 | \$ 654,159,394 | \$ 678,181,561 |

CITY OF SOUTH JORDAN

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 18,395,535 | \$ 20,291,415 | \$ 44,494,650 | \$ 26,118,851 | \$ 26,584,589 | \$ 17,432,244 | \$ 22,056,273 | \$ 13,962,223 | \$ 22,163,294 | \$ 19,940,078 |
| Administrative Services* | - | - | - | - | 10,018,151 | 10,888,967 | 10,435,889 | 5,769,376 | - | - |
| Community Services | 1,263,211 | 1,308,157 | 1,104,739 | 1,160,626 | - | - | - | - | - | - |
| Development Services | 3,626,463 | 3,979,425 | 3,394,698 | 4,318,675 | 4,875,349 | 5,456,960 | 4,909,963 | 4,740,376 | 5,364,271 | 6,132,504 |
| Public Works | 14,564,901 | 16,297,364 | 15,974,955 | 18,322,736 | 16,507,982 | 15,882,104 | 17,602,167 | 20,682,764 | 23,612,585 | 27,534,575 |
| Recreation | 2,146,638 | 2,236,178 | 2,010,135 | 2,117,615 | 2,333,818 | 1,649,535 | 480,467 | 1,876,415 | 3,215,199 | 2,263,785 |
| Public Safety | 11,515,459 | 12,857,799 | 11,069,346 | 14,373,525 | 17,483,131 | 18,867,633 | 18,220,610 | 19,645,679 | 24,678,610 | 28,818,291 |
| Parks, Recreation, and Culture | - | - | - | - | - | - | - | - | - | - |
| Interest on Long-term Debt | 1,250,915 | 1,542,672 | 2,479,864 | 2,929,191 | 2,612,474 | 2,767,426 | 2,531,067 | 2,285,736 | 2,251,146 | 2,283,208 |
| Total Governmental Activities Expenses | 52,763,122 | 58,513,010 | 80,528,387 | 69,341,219 | 80,415,494 | 72,944,869 | 76,236,436 | 68,962,569 | 81,285,105 | 86,972,441 |
| Business-type Activities | | | | | | | | | | |
| Water | 15,267,223 | 16,374,117 | 18,751,004 | 17,569,181 | 17,150,610 | 19,256,677 | 22,067,738 | 20,880,342 | 21,756,715 | 23,316,480 |
| Sanitation | 2,602,360 | 2,816,637 | 2,669,590 | 2,856,678 | 3,258,710 | 3,974,790 | 4,504,200 | 4,818,012 | 5,411,796 | 5,698,608 |
| Mulligans | 997,913 | 955,743 | 892,923 | 1,125,656 | 1,089,321 | 1,061,018 | 1,260,093 | 1,374,337 | 1,795,837 | 1,631,680 |
| Internal Service Fund** | - | - | - | - | - | - | - | - | - | 830,510 |
| Total Business-type Activities Expenses | 18,867,496 | 20,146,497 | 22,313,517 | 21,551,515 | 21,498,641 | 24,292,485 | 27,832,031 | 27,072,691 | 28,964,348 | 31,477,278 |
| Total Primary Government Expenses | 71,630,618 | 78,659,507 | 102,841,904 | 90,892,734 | 101,914,135 | 97,237,354 | 104,068,467 | 96,035,260 | 110,249,453 | 118,449,719 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | 4,704,833 | 37,564,149 | 5,712,853 | 5,138,585 | 3,846,076 | 4,248,044 | 4,697,558 | 6,324,770 | 7,238,298 | 8,122,887 |
| Administrative Services | - | - | - | - | 673,040 | 242,848 | 241,950 | 361,628 | - | - |
| Community Services | 50,104 | 55,098 | 67,194 | 82,357 | - | - | - | - | - | - |
| Development Services | 3,635,389 | 4,627,339 | 4,226,567 | 4,150,663 | 3,976,104 | 4,494,010 | 5,986,267 | 5,114,493 | 2,970,197 | 2,360,191 |
| Public Works | 2,672,510 | 2,743,340 | 4,568,970 | 2,464,043 | 2,666,183 | 2,727,750 | 3,308,424 | 3,804,281 | 3,938,361 | 6,364,769 |
| Recreation | 1,796,106 | 1,788,484 | 1,793,237 | 1,636,357 | 1,673,498 | 883,997 | 2,443 | 407,306 | 449,576 | 331,739 |
| Public Safety | 1,325,863 | 1,644,075 | 530,654 | 2,130,108 | 2,913,453 | 3,626,106 | 4,367,236 | 5,070,196 | 6,333,863 | 5,873,335 |
| Parks, Recreation, and Culture | - | - | - | - | - | - | - | - | - | - |
| Operating Grants and Contributions | 2,323,266 | 2,394,591 | 6,490,793 | 3,394,843 | 3,261,957 | 5,925,631 | 10,099,339 | 7,111,492 | 4,268,508 | 6,501,502 |
| Capital Grants and Contributions | 18,803,409 | 10,552,053 | 5,384,258 | 10,588,796 | 7,919,866 | 49,902,595 | 15,096,214 | 17,271,353 | 8,781,966 | 5,048,628 |
| Total Governmental Activities Programs Revenues | 35,311,480 | 61,369,129 | 28,774,526 | 29,585,752 | 26,930,177 | 72,050,981 | 43,799,431 | 45,465,519 | 33,980,769 | 34,603,051 |
| Business-type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water | 18,087,734 | 19,262,475 | 21,011,522 | 21,760,554 | 20,513,065 | 22,691,199 | 24,362,608 | 22,635,754 | 22,620,952 | 24,267,821 |
| Sanitation | 3,196,587 | 3,468,690 | 3,395,857 | 3,823,429 | 4,156,658 | 4,658,606 | 5,136,684 | 5,679,129 | 6,002,322 | 6,739,584 |
| Mulligans | 1,283,966 | 1,374,806 | 1,279,072 | 1,143,210 | 1,259,293 | 1,364,483 | 1,982,142 | 1,749,122 | 1,726,914 | 2,255,367 |
| Internal Service Fund | - | - | - | - | - | - | - | - | - | 652,972 |
| Operating Grants and Contributions | - | - | - | - | - | - | 171,236 | 87,395 | 277,756 | 158,873 |
| Capital Grants and Contributions | 3,689,351 | 4,547,450 | 4,758,408 | 2,075,071 | 2,226,178 | 9,417,565 | 5,524,136 | 2,900,431 | 2,259,747 | 384,870 |
| Total Business-type Activities Program Revenues | 26,257,638 | 28,653,421 | 30,444,859 | 28,802,264 | 28,155,194 | 38,131,853 | 37,176,806 | 33,051,831 | 32,887,691 | 34,459,487 |
| Total Primary Governmental Program Revenues | 61,569,118 | 90,022,550 | 59,219,385 | 58,388,016 | 55,085,371 | 110,182,834 | 80,976,237 | 78,517,350 | 66,868,460 | 69,062,538 |

* Administrative Services was not broken out starting in FY 2023. It was combined with General Government.

** Internal Service Fund added as of FY2024

(Continued)

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

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (17,451,642) | 2,856,119 | (51,753,861) | (39,755,467) | (53,485,317) | (893,888) | (32,437,005) | (23,497,050) | (47,304,336) | (52,369,390) |
| Business-type Activities | 7,390,142 | 8,506,924 | 8,131,340 | 7,250,749 | 6,656,553 | 13,839,368 | 9,344,775 | 5,979,140 | 3,923,343 | 2,982,209 |
| Total Primary Government Net Expense | (10,061,500) | 11,363,043 | (43,622,521) | (32,504,718) | (46,828,764) | 12,945,480 | (23,092,230) | (17,517,910) | (43,380,993) | (49,387,181) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | 21,700,883 | 22,629,814 | 22,551,834 | 23,271,204 | 24,700,459 | 27,243,222 | 27,587,903 | 25,626,153 | 27,273,334 | 20,625,213 |
| Sales and Use Taxes | 10,909,154 | 12,417,683 | 13,958,648 | 15,467,338 | 15,207,236 | 16,546,021 | 20,016,998 | 22,683,696 | 23,441,152 | 24,168,573 |
| Energy Sales and Use Tax | 3,567,464 | 3,569,710 | 3,635,774 | 3,759,171 | 3,981,011 | 4,175,686 | 4,547,530 | 4,930,826 | 6,039,853 | 5,825,501 |
| Other Taxes | 1,138,852 | 1,892,006 | 1,936,872 | 2,048,685 | 2,061,031 | 3,394,897 | 3,591,564 | 4,008,899 | 4,119,768 | 2,096,786 |
| Intergovernmental Pass-Through | - | - | - | - | - | - | - | - | 8,000,000 | 10,793,278 |
| Gain (Loss) on Disposition of Capital Assets | 323,617 | 345,920 | 198,188 | 83,163 | 596,614 | 730,503 | 1,896,494 | 522,459 | 16,004,265 | 325,249 |
| Investment Earnings | 388,660 | 884,202 | 1,212,872 | 2,675,538 | 3,432,806 | 2,812,937 | 1,413,239 | (784,718) | 5,033,605 | 8,207,735 |
| Transfers | 4,909 | 4,909 | (4,000,973) | (107,091) | (4,132,995) | (1,395,091) | 461,602 | (362,091) | 21,909 | (995,091) |
| Total Governmental Activities | 38,033,539 | 41,744,244 | 39,493,215 | 47,198,008 | 45,846,162 | 53,508,175 | 59,515,330 | 56,625,224 | 89,933,886 | 71,047,244 |
| Business-type Activities: | | | | | | | | | | |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Investment Earnings | - | - | - | - | 1,136,136 | 820,575 | 306,471 | (280,192) | 1,650,090 | 2,569,843 |
| Transfers | (4,909) | (4,909) | 4,000,973 | 107,091 | 4,132,995 | 1,395,091 | (461,602) | 362,091 | (21,909) | 995,091 |
| Total Business-type Activities | (4,909) | (4,909) | 4,000,973 | 107,091 | 5,269,131 | 2,215,666 | (155,131) | 81,899 | 1,628,181 | 3,564,934 |
| Total Primary Government | 38,028,630 | 41,739,335 | 43,494,188 | 47,305,099 | 51,115,293 | 55,723,841 | 59,360,199 | 56,707,123 | 91,562,067 | 74,612,178 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | 20,581,897 | 44,600,363 | (12,260,646) | 7,442,541 | (7,639,155) | 52,614,287 | 27,078,325 | 33,128,174 | 42,629,550 | 18,677,854 |
| Business-type Activities | 7,385,233 | 8,502,015 | 12,132,313 | 7,357,840 | 11,925,684 | 16,055,034 | 9,189,644 | 6,061,039 | 5,551,524 | 6,547,143 |
| Total Primary Government | \$ 27,967,130 | \$ 53,102,378 | \$ (128,333) | \$ 14,800,381 | \$ 4,286,529 | \$ 68,669,321 | \$ 36,267,969 | \$ 39,189,213 | \$ 48,181,074 | \$ 25,224,997 |

CITY OF SOUTH JORDAN

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|------------------------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 527,304 | \$ 150,539 | \$ 145,704 | \$ 70,634 | \$ 25,477 | \$ 14,050 | \$ 34,039 | \$ 83,946 | \$ 54,373 | \$ 38,250 |
| Restricted | 163,911 | 733,574 | 481,571 | 263,678 | 283,265 | 1,705,153 | 309,159 | 230,101 | 293,027 | 343,866 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | 378,200 | 401,382 | 139,038 | 269,622 | 2,411,526 | 470,787 | 431,429 | 312,161 | 1,073,461 |
| Unassigned | 6,788,567 | 8,369,672 | 9,279,814 | 9,818,217 | 10,166,748 | 10,166,748 | 12,876,690 | 16,303,612 | 18,368,411 | 19,183,365 |
| Total General Fund | <u>\$ 7,479,782</u> | <u>\$ 9,631,985</u> | <u>\$ 10,308,471</u> | <u>\$ 10,291,567</u> | <u>\$ 10,745,112</u> | <u>\$ 14,297,477</u> | <u>\$ 13,690,675</u> | <u>\$ 17,049,088</u> | <u>\$ 19,027,972</u> | <u>\$ 20,638,942</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 3,932,631 | \$ - | \$ - | \$ 2,526 | \$ 2,526 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 10,940,056 | 59,056,621 | 49,598,477 | 37,762,043 | 15,297,462 | 16,608,779 | 14,334,358 | 22,751,819 | 32,718,222 | 23,951,279 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | 38,468,133 | 43,755,366 | 44,005,861 | 50,540,689 | 55,213,540 | 60,871,746 | 71,935,553 | 81,997,377 | 93,087,655 | 106,922,511 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 53,340,820</u> | <u>\$ 102,811,987</u> | <u>\$ 93,604,338</u> | <u>\$ 88,305,258</u> | <u>\$ 70,513,528</u> | <u>\$ 77,480,525</u> | <u>\$ 86,269,911</u> | <u>\$ 104,749,196</u> | <u>\$ 125,805,877</u> | <u>\$ 130,873,790</u> |

CITY OF SOUTH JORDAN

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Revenues | | | | | | | | | | |
| Taxes | \$ 37,403,004 | \$ 40,467,075 | \$ 42,062,363 | \$ 44,529,591 | \$ 45,983,944 | \$ 51,288,330 | \$ 55,741,563 | \$ 57,284,316 | \$ 60,862,719 | \$ 52,583,652 |
| Licenses and Permits | 2,947,782 | 3,843,132 | 3,481,022 | 3,579,710 | 3,456,503 | 4,033,362 | 5,469,655 | 4,539,974 | 2,505,814 | 2,392,468 |
| Intergovernmental | 2,134,027 | 2,254,258 | 2,929,794 | 2,955,803 | 5,883,824 | 6,562,403 | 9,150,490 | 7,764,064 | 12,903,576 | 17,294,780 |
| Charges for Services | 9,366,262 | 9,855,949 | 9,607,185 | 9,361,432 | 10,702,283 | 10,185,993 | 11,521,592 | 13,460,637 | 15,187,747 | 15,291,202 |
| Fines and Forfeitures | 902,968 | 842,865 | 599,267 | 601,668 | 582,999 | 454,674 | 510,318 | 489,175 | 477,892 | 493,325 |
| Special Assessments | 651,909 | 787,557 | 1,039,910 | 3,093,546 | 3,045,219 | 2,991,348 | 3,805,213 | 2,759,393 | 2,174,604 | 2,900,897 |
| Interest | 388,660 | 884,199 | 1,212,872 | 2,675,538 | 3,432,805 | 2,812,937 | 1,413,239 | (784,718) | 5,033,605 | 8,207,735 |
| Impact fees | 3,008,561 | 2,831,187 | 2,517,660 | 2,624,781 | 1,519,359 | 2,172,757 | 2,174,529 | 1,721,224 | 1,047,491 | 940,917 |
| Miscellaneous | 1,970,798 | 1,140,720 | 4,034,162 | 3,484,076 | 1,807,204 | 2,075,080 | 2,340,569 | 1,452,025 | 2,044,268 | 2,092,800 |
| Total Revenues | 58,773,971 | 62,906,942 | 67,484,235 | 72,906,145 | 76,414,140 | 82,576,884 | 92,127,168 | 88,686,090 | 102,237,716 | 102,197,776 |
| Expenditures | | | | | | | | | | |
| General Government | 9,236,326 | 9,946,197 | 11,485,501 | 11,584,209 | 6,401,608 | 6,941,039 | 6,998,265 | 8,626,306 | 8,234,251 | 8,169,695 |
| Administrative Services | - | - | - | - | 8,755,622 | 9,658,035 | 9,820,160 | 6,046,338 | 5,795,034 | 6,044,272 |
| Community Services | 1,165,684 | 1,242,376 | 1,166,694 | 1,112,654 | - | - | - | - | - | - |
| Development Services | 3,573,768 | 3,747,832 | 3,956,533 | 4,220,898 | 4,571,159 | 5,029,802 | 5,067,446 | 5,175,938 | 5,475,618 | 5,964,022 |
| Public Works | 8,004,660 | 8,634,159 | 8,979,513 | 10,661,256 | 8,627,101 | 7,935,003 | 9,322,296 | 11,274,737 | 13,657,523 | 17,136,736 |
| Recreation | 1,606,161 | 1,774,055 | 1,669,889 | 1,682,459 | 1,776,639 | 1,161,265 | - | 1,605,412 | 2,086,952 | 2,302,794 |
| Public Safety | 11,042,351 | 11,471,980 | 12,763,478 | 13,494,051 | 15,770,852 | 16,477,343 | 17,683,535 | 19,733,338 | 23,101,423 | 25,899,695 |
| Tax Increment Distributions | 7,830,105 | 8,763,836 | 8,094,887 | 7,674,396 | 7,662,757 | 8,657,583 | 13,772,350 | 4,609,613 | 3,909,608 | 4,217,893 |
| Developer Reimbursement | - | - | 24,070,898 | 5,412,565 | 11,232,775 | 192,613 | 60,663 | 33,710 | 269,142 | 330,306 |
| Capital Outlay | 6,662,804 | 9,323,836 | 8,164,510 | 14,810,243 | 16,309,588 | 20,465,695 | 14,823,921 | 10,081,495 | 9,528,315 | 18,481,994 |
| Debt Service | | | | | | | | | | |
| Principal | 2,929,432 | 4,288,796 | 12,700,917 | 5,195,712 | 6,915,000 | 9,854,000 | 5,840,000 | 7,160,415 | 4,690,707 | 5,080,948 |
| Interest and Fees | 1,249,395 | 1,317,402 | 2,695,028 | 3,033,943 | 2,920,559 | 3,009,678 | 2,967,549 | 2,717,273 | 2,647,037 | 2,544,241 |
| Other | - | 893,278 | 339,356 | - | - | 201,464 | - | - | - | - |
| Total Expenditures | 53,300,686 | 61,403,747 | 96,087,204 | 78,882,386 | 90,943,660 | 89,583,520 | 86,356,185 | 77,064,575 | 79,395,610 | 96,172,596 |
| Excess (Deficiency) of Revenues over Expenditures | 5,473,285 | 1,503,195 | (28,602,969) | (5,976,241) | (14,529,520) | (7,006,636) | 5,770,983 | 11,621,515 | 22,842,106 | 6,025,180 |

(Continued)

CITY OF SOUTH JORDAN

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|---------------------|----------------------|-----------------------|-----------------------|------------------------|----------------------|---------------------|----------------------|----------------------|---------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of Long Term Debt | \$ - | \$ 45,710,000 | \$ 21,155,000 | \$ - | \$ - | \$ 15,130,000 | \$ - | \$ 9,700,000 | \$ 984,000 | \$ - |
| Bond Premium | - | 3,017,490 | 2,583,013 | - | - | 2,745,045 | - | - | - | - |
| Lease Financing | 1,385,000 | 970,000 | - | - | - | - | - | 349,677 | 182,289 | - |
| Subscription Financing | - | - | - | - | - | - | - | - | 605,934 | 268,478 |
| Sale of Capital Assets | 354,857 | 417,777 | 334,766 | 767,348 | 1,324,330 | 1,046,044 | 1,949,999 | 528,597 | 189,327 | 705,603 |
| Transfers In | 9,981,201 | 10,574,111 | 9,221,465 | 14,245,221 | 10,772,525 | 16,082,841 | 23,621,110 | 20,523,507 | 17,748,120 | 20,882,936 |
| Transfers Out | (9,976,292) | (10,569,202) | (13,222,438) | (14,352,312) | (14,905,520) | (17,477,932) | (23,159,508) | (20,885,598) | (17,726,211) | (21,878,028) |
| Total Other Financing Sources (Uses) | <u>1,744,766</u> | <u>50,120,176</u> | <u>20,071,806</u> | <u>660,257</u> | <u>(2,808,665)</u> | <u>17,525,998</u> | <u>2,411,601</u> | <u>10,216,183</u> | <u>1,983,459</u> | <u>(21,011)</u> |
| Net Change in Fund Balances | <u>\$ 7,218,051</u> | <u>\$ 51,623,371</u> | <u>\$ (8,531,163)</u> | <u>\$ (5,315,984)</u> | <u>\$ (17,338,185)</u> | <u>\$ 10,519,362</u> | <u>\$ 8,182,584</u> | <u>\$ 21,837,698</u> | <u>\$ 24,825,565</u> | <u>\$ 6,004,169</u> |
| *Debt Service as a Percentage of Noncapital Expenditures | 9% | 11% | 17% | 13% | 13% | 19% | 12% | 15% | 10% | 9% |

*Capital Outlay Number used in computing Debt Service as a Percentage of Noncapital Expenditures is found in Note 2. B - capital outlay.

CITY OF SOUTH JORDAN

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Less: Tax-Exempt Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Taxable Assessed Value as a Percentage of Actual Taxable Value |
|-------------|----------------------|---------------------|---------------------|---------------------------|------------------------------|-----------------------|--------------------------------|--|
| 2015 | \$ 3,875,242,027 | \$ 882,172,868 | \$ 102,555,634 | \$ 486,046 | \$ 4,859,484,483 | 2.08 | \$ 7,235,213,177 | 67.16 |
| 2016 | 4,323,254,477 | 951,132,748 | 113,072,729 | 2,953,520 | 5,384,506,434 | 1.95 | 8,024,824,025 | 67.10 |
| 2017 | 4,735,752,039 | 1,064,107,427 | 125,014,848 | 3,651,840 | 5,921,222,474 | 1.90 | 8,868,931,965 | 66.76 |
| 2018 | 5,091,082,986 | 1,122,779,497 | 143,562,090 | 2,818,385 | 6,354,606,189 | 1.88 | 9,593,305,831 | 66.24 |
| 2019 | 5,749,130,083 | 1,274,440,465 | 132,225,657 | 46,569,886 | 7,109,226,320 | 1.80 | 10,747,275,812 | 66.15 |
| 2020 | 6,439,248,517 | 1,344,080,064 | 124,333,301 | 47,896,490 | 7,859,765,391 | 1.74 | 11,938,464,128 | 65.84 |
| 2021 | 7,026,822,503 | 1,280,412,185 | 148,649,924 | 50,235,710 | 8,405,648,902 | 1.63 | 12,813,438,828 | 65.60 |
| 2022 | 8,046,977,181 | 1,156,476,605 | 161,751,720 | 50,875,770 | 9,314,329,736 | 1.44 | 14,385,322,023 | 64.75 |
| 2023 | 10,476,767,254 | 1,500,304,539 | 214,079,871 | 50,875,770 | 12,140,275,893 | 1.43 | 19,253,652,241 | 63.05 |
| 2024 | 10,916,271,206 | 1,531,154,265 | 296,359,780 | 47,083,654 | 12,696,701,596 | 1.37 | 20,028,568,946 | 63.39 |

Source: Utah State Tax Commission - Property Tax Division

CITY OF SOUTH JORDAN

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

| Fiscal Year | City Direct Rates | | | Overlapping Rates | | | | | | | |
|-------------|-------------------|-------------------|------------------------|--------------------------|------------------|--------------------|---|----------------|--------------------|--|-------------------|
| | Basic Rates | Total Direct Rate | Jordan School District | Salt Lake County Library | Salt Lake County | Mosquito Abatement | Central Utah Water Conservancy District | Sandy Suburban | South Valley Sewer | Jordan Valley Water Conservancy District | Crescent Cemetery |
| 2015 | 2.08 | 2.08 | 6.87 | 0.75 | 2.53 | 0.02 | 0.41 | 0.89 | 0.35 | 0.40 | 0.04 |
| 2016 | 1.95 | 1.95 | 6.91 | 0.64 | 2.64 | 0.02 | 0.40 | 0.80 | 0.33 | 0.37 | 0.04 |
| 2017 | 1.90 | 1.90 | 6.42 | 0.61 | 2.49 | 0.02 | 0.40 | 0.76 | 0.32 | 0.40 | 0.04 |
| 2018 | 1.88 | 1.88 | 6.50 | 0.56 | 2.26 | 0.02 | 0.40 | 0.70 | 0.30 | 0.40 | 0.03 |
| 2019 | 1.80 | 1.80 | 6.68 | 0.54 | 2.16 | 0.01 | 0.40 | 0.64 | 0.28 | 0.38 | 0.03 |
| 2020 | 1.74 | 1.74 | 6.57 | 0.52 | 2.17 | 0.01 | 0.40 | 0.60 | 0.27 | 0.37 | 0.03 |
| 2021 | 1.63 | 1.63 | 6.17 | 0.47 | 1.99 | 0.01 | 0.40 | 0.55 | 0.25 | 0.37 | 0.03 |
| 2022 | 1.44 | 1.44 | 5.97 | 0.39 | 1.63 | 0.01 | 0.40 | 0.40 | 0.19 | 0.32 | 0.02 |
| 2023 | 1.43 | 1.43 | 5.74 | 0.48 | 1.56 | 0.01 | 0.40 | 0.43 | 0.20 | 0.34 | 0.02 |
| 2024 | 1.37 | 1.37 | 5.39 | 0.45 | 1.46 | 0.01 | 0.40 | 0.40 | 0.19 | 0.32 | 0.02 |

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

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

| Taxpayer | 2024 | | | 2015 | | |
|--|-------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| RiverPark LLC | \$ 252,143,800 | 1 | 1.99% | \$ 227,124,300 | 1 | 4.67% |
| eBay Inc | 217,742,300 | 2 | 1.71 | 90,498,700 | 4 | 1.86 |
| VP Daybreak Operations/Investments LLC | 204,880,085 | 3 | 1.61 | | | |
| Merit Medical Systems Inc | 151,907,670 | 4 | 1.20 | 61,931,280 | 5 | 1.27 |
| Boyer Jordan Heights | 115,728,900 | 5 | 0.91 | 130,366,700 | 2 | 2.68 |
| San Tropez Holdings LLC | 110,129,345 | 6 | 0.87 | 59,098,930 | 6 | 1.22 |
| DEF Properties | 84,928,900 | 7 | 0.67 | | | |
| GMC Property Management | 77,428,952 | 8 | 0.61 | | | |
| Wal-Mart | 64,616,000 | 9 | 0.51 | 52,691,500 | 7 | 1.08 |
| Sterling Village Partners LLC | 45,744,435 | 10 | 0.36 | 29,283,980 | 9 | 0.60 |
| Kennecott | | | | 126,644,325 | 3 | 2.61 |
| Ivory Development LLC | | | | 32,283,160 | 8 | 0.66 |
| Pheasant Hollow Business Park | | | | 27,148,700 | 10 | 0.56 |
| Total | \$ 1,325,250,387 | | 10.44% | \$ 837,071,575 | | 17.22% |

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

CITY OF SOUTH JORDAN
Property Tax Levied and Collections
 Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Tax Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|-----------------------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2015 | \$ 10,803,390 | \$ 10,566,323 | 97.81% | \$ 122,884 | \$ 10,689,207 | 98.94% |
| 2016 | 11,225,475 | 10,979,400 | 97.81 | 119,631 | 11,099,031 | 98.87 |
| 2017 | 11,597,117 | 11,364,805 | 98.00 | 122,784 | 11,487,589 | 99.06 |
| 2018 | 12,144,354 | 11,897,337 | 97.97 | 164,341 | 12,061,678 | 99.32 |
| 2019 | 13,386,528 | 13,142,262 | 98.18 | 159,815 | 13,302,077 | 99.37 |
| 2020 | 14,180,819 | 13,919,275 | 98.16 | 126,770 | 14,046,045 | 99.05 |
| 2021 | 14,650,720 | 14,405,738 | 98.33 | 143,246 | 14,548,985 | 99.31 |
| 2022 | 15,211,153 | 14,964,513 | 98.38 | 142,447 | 15,106,960 | 99.32 |
| 2023 | 17,544,719 | 17,255,636 | 98.35 | 103,184 | 17,358,820 | 98.94 |
| 2024 | 18,115,175 | 17,487,080 | 96.53 | - | 17,487,080 | 96.53 |

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

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

| Tax Payer* | 2024 | | | 2015 | | |
|------------------------|----------------------------|------|--------------------------------------|----------------------------|------|--------------------------------------|
| | South Jordan Direct POS | Rank | Percentage of Total Direct POS | South Jordan Direct POS | Rank | Percentage of Total Direct POS |
| Retail/Grocery | \$ 1,702,699 | 1 | 7.01% | \$ 1,008,729 | 1 | 8.84% |
| Retail/Grocery | 1,557,591 | 2 | 6.42 | | | |
| Auto Sales | 1,104,448 | 3 | 4.55 | 416,674 | 8 | 3.65 |
| Auto Sales | 934,661 | 4 | 3.85 | 532,040 | 4 | 4.66 |
| Retail/Grocery | 916,948 | 5 | 3.78 | 754,626 | 3 | 6.61 |
| Retail/Grocery | 868,469 | 6 | 3.58 | 431,727 | 7 | 3.78 |
| Auto Sales | 759,527 | 7 | 3.13 | | | |
| Retail/Grocery | 716,942 | 8 | 2.95 | 474,906 | 6 | 4.16 |
| Auto Sales | 639,819 | 9 | 2.64 | | | |
| Retail/Grocery | 590,772 | 10 | 2.43 | | | |
| Undisclosed** | | | | 811,525 | 2 | 7.11 |
| Information Technology | | | | 502,357 | 5 | 4.40 |
| Auto Sales | | | | 333,031 | 9 | 2.92 |
| Utility | | | | 324,492 | 10 | 2.84 |
| Total | \$ 9,791,877 | | 40.34% | \$ 5,590,108 | | 48.99% |

Source: Utah State Tax Commission

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

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

CITY OF SOUTH JORDAN

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>South Jordan City Direct Rate</u> | <u>Salt Lake County</u> | <u>State of Utah</u> |
|--------------------|--|-----------------------------|--------------------------|
| 2015 | 1.00 | 1.15 | 4.70 |
| 2016 | 1.00 | 1.15 | 4.70 |
| 2017 | 1.00 | 1.15 | 4.70 |
| 2018 | 1.00 | 1.15 | 4.70 |
| 2019 | 1.00 | 1.40 | 4.85 |
| 2020 | 1.00 | 1.40 | 4.85 |
| 2021 | 1.00 | 1.40 | 4.85 |
| 2022 | 1.00 | 1.40 | 4.85 |
| 2023 | 1.00 | 1.40 | 4.85 |
| 2024 | 1.00 | 1.40 | 4.85 |

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

CITY OF SOUTH JORDAN

Charges for Water Fees

Last Ten Fiscal Years

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | Fiscal Year <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Water Sales | \$ 16,591,975 | \$ 17,343,573 | \$ 18,691,221 | \$ 19,188,886 | \$ 18,955,811 | \$ 21,091,520 | \$ 22,560,396 | \$ 20,207,460 | \$ 21,189,593 | \$ 22,964,195 |
| Secondary Water Sales | 736,857 | 735,874 | 740,236 | 744,923 | 799,631 | 812,433 | 817,895 | 838,872 | 848,083 | 853,690 |
| Other | 597,700 | 917,128 | 1,241,932 | 1,270,597 | 757,623 | 787,247 | 1,155,553 | 1,676,817 | 583,276 | 449,937 |
| Total Water Fund Revenue | <u>\$ 17,926,532</u> | <u>\$ 18,996,575</u> | <u>\$ 20,673,389</u> | <u>\$ 21,204,406</u> | <u>\$ 20,513,065</u> | <u>\$ 22,691,199</u> | <u>\$ 24,533,844</u> | <u>\$ 22,723,149</u> | <u>\$ 22,620,952</u> | <u>\$ 24,267,821</u> |

Source: City of South Jordan

Note: Other includes Finance Charges and Water Meter Sets.

CITY OF SOUTH JORDAN

Ratios of Outstanding Debt by Type

Last Ten Years

(dollars in thousands except per capita)

| Fiscal Year | Governmental Activities | | | | | | | Business-type Activities | | | | | | |
|-------------|--------------------------|---------------------------|----------|-------|-------------------------|--|---------------|--------------------------|---------------------|--------|--------------------------------------|--------------------------|-------------------------------|------------|
| | Municipal Bldg Authority | Sales Tax Increment Bonds | Leases | SBITA | Special Assessment Bond | Subordinate Sales Tax/Tax Increment Bond | Notes Payable | RDA Tax Increment Bond | Water Revenue Bonds | Leases | Municipal Bldg Authority (Mulligans) | Total Primary Government | Percentage of Personal Income | Per Capita |
| 2015 | \$ 5,726 | \$ 15,172 | \$ 1,683 | \$ - | \$ 1,957 | \$ - | \$ - | \$ 5,179 | \$ 25,667 | \$ - | \$ - | \$ 55,385 | 2.89 | \$ 941 |
| 2016 | 5,164 | 14,028 | 1,645 | - | 35,412 | 14,575 | - | 4,212 | 23,360 | - | - | 98,395 | 3.98 | 1,426 |
| 2017 | 4,581 | 28,274 | 790 | - | 34,486 | 14,486 | - | 3,203 | 20,973 | - | - | 106,791 | 4.32 | 1,547 |
| 2018 | 3,983 | 27,365 | - | - | 33,084 | 13,787 | - | 2,149 | 18,656 | - | - | 99,024 | 3.48 | 1,380 |
| 2019 | 3,365 | 26,041 | - | - | 29,670 | 13,027 | - | 1,049 | 11,529 | - | - | 84,681 | 2.76 | 1,150 |
| 2020 | 2,732 | 38,992 | - | - | 26,771 | 12,249 | - | - | 9,292 | - | - | 90,036 | 2.68 | 1,161 |
| 2021 | 2,079 | 37,443 | - | - | 23,512 | 11,439 | - | - | 6,949 | - | - | 81,422 | 2.01 | 994 |
| 2022 | - | 35,833 | 234 | - | 20,552 | 10,600 | 9,700 | - | 4,731 | 30 | - | 81,680 | 2.02 | 997 |
| 2023 | - | 34,159 | 318 | 571 | 18,703 | 9,731 | 10,097 | - | 2,418 | 15 | - | 76,012 | 1.68 | 870 |
| 2024 | - | 32,633 | 87 | 839 | 17,419 | 8,827 | 8,529 | - | - | 10 | - | 68,344 | 1.37 | 772 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See Demographic and Economic Statistics for personal income and population data.

CITY OF SOUTH JORDAN

Direct and Overlapping Governmental Activities Debt

As of June 30, 2024

| <u>Government Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Direct and Overlapping Debt</u> |
|--|-------------------------|--|---|
| Debt repaid with property taxes | | | |
| Salt Lake County* | \$ 409,093,099 | 6.69% | \$ 27,374,208 |
| Jordan School District | 149,874,000 | 27.95% | 41,882,587 |
| Central Utah Water Cons. District | 116,401,403 | 6.69% | <u>7,788,927</u> |
| Subtotal overlapping debt | | | 77,045,722 |
| City direct debt | | | <u>68,343,863</u> |
| Total direct and overlapping debt | | | <u><u>\$ 145,389,585</u></u> |

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

* Salt Lake County debt outstanding is from their ACFR as of 12/31/2023

CITY OF SOUTH JORDAN
Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2024

| | |
|---|---------------------|
| Assessed Value | \$ 12,696,702 |
| Reasonable Fair Cash Value | \$ 20,028,569 |
| Debt Limit (8% of Reasonable Cash Value) | 1,602,286 |
| Debt applicable to limit: | |
| General obligation bonds | - |
| Less: Amount set aside for repayment of general obligation debt | - |
| Total net debt applicable to limit | <u>-</u> |
| Legal debt margin | <u>\$ 1,602,286</u> |

| | Fiscal Year | | | | | | | | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
| Debt limit | | | | | | | | | | |
| General (4% Fair Cash Value) | \$ 289,409 | \$ 320,993 | \$ 354,758 | \$ 383,732 | \$ 429,891 | \$ 477,539 | \$ 512,538 | \$ 575,413 | \$ 770,146 | \$ 801,143 |
| Water and Sewer (4% Fair Cash Value) | <u>289,409</u> | <u>320,993</u> | <u>320,993</u> | <u>\$ 354,758</u> | <u>383,732</u> | <u>477,539</u> | <u>512,538</u> | <u>575,413</u> | <u>770,146</u> | <u>801,143</u> |
| Total 8% Debt Limit | 578,818 | 641,986 | 675,751 | 738,490 | 813,623 | 955,077 | 1,025,077 | 1,150,826 | 1,540,292 | 1,602,286 |
| Total Net Debt Applicable to Limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 578,818</u> | <u>\$ 641,986</u> | <u>\$ 675,751</u> | <u>\$ 738,490</u> | <u>\$ 813,623</u> | <u>\$ 955,077</u> | <u>\$ 1,025,077</u> | <u>\$ 1,150,826</u> | <u>\$ 1,540,292</u> | <u>\$ 1,602,286</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: Salt Lake County Auditor's Office

Notes: The general obligation bonded debt of the City is limited by the Utah Constitution (Article 14, Section 4) to 8% of the "reasonable fair cash value" of property. Of this percent, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum of 8% may be utilized for water and/or sewer purposes.

CITY OF SOUTH JORDAN

Pledged Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

| Fiscal Year | Water Revenue Bonds | | | | | | Special Assessment Bonds | | | | Sales Tax Bonds | | | |
|-------------|------------------------|--------------------------|-----------------------|--------------|----------|----------|--------------------------|--------------|----------|----------|-------------------|--------------|----------|----------|
| | Utility Service Charge | Less: Operating Expenses | Net Available Revenue | Debt Service | | | Special Assessment Bonds | Debt Service | | | Sales and Use Tax | Debt Service | | |
| | | | | Principal | Interest | Coverage | | Principal | Interest | Coverage | | Principal | Interest | Coverage |
| 2015 | 17,927 | 10,771 | 7,156 | 2,125 | 1,201 | 2.15 | 704 | 605 | 99 | 1.00 | 10,909 | 530 | 677 | 9.03 |
| 2016 | 18,997 | 11,627 | 7,370 | 2,250 | 1,096 | 2.20 | 703 | 628 | 75 | 1.00 | 12,418 | 1,130 | 818 | 6.37 |
| 2017 | 20,673 | 14,014 | 6,660 | 2,330 | 981 | 2.01 | 1,946 | 857 | 1,089 | 1.00 | 13,959 | 1,175 | 1,155 | 5.99 |
| 2018 | 21,204 | 13,067 | 8,137 | 2,485 | 856 | 2.44 | 2,407 | 1,332 | 1,075 | 1.00 | 15,467 | 1,485 | 1,670 | 4.90 |
| 2019 | 20,513 | 12,961 | 7,552 | 2,630 | 916 | 2.13 | 2,091 | 1,175 | 916 | 1.00 | 15,207 | 1,860 | 1,707 | 4.26 |
| 2020 | 22,691 | 14,498 | 8,193 | 2,035 | 445 | 3.30 | 3,732 | 2,830 | 902 | 1.00 | 16,546 | 1,955 | 1,956 | 4.23 |
| 2021 | 24,534 | 16,483 | 8,051 | 2,095 | 342 | 3.30 | 4,001 | 3,190 | 811 | 1.00 | 20,017 | 2,005 | 2,069 | 4.91 |
| 2022 | 22,723 | 15,412 | 7,311 | 1,970 | 240 | 3.31 | 3,584 | 2,890 | 694 | 1.00 | 22,684 | 2,095 | 1,975 | 5.57 |
| 2023 | 22,621 | 15,928 | 6,693 | 2,065 | 150 | 3.02 | 2,392 | 1,780 | 612 | 1.00 | 23,441 | 2,190 | 1,876 | 5.77 |
| 2024 | 24,268 | 17,495 | 6,773 | 2,170 | 54 | 3.05 | 2,154 | 1,215 | 564 | 1.21 | 24,169 | 2,075 | 1,769 | 6.29 |

Source: The City of South Jordan

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

2015 RDA Subordinate Sales Tax and Tax Increment Bond is included in the Sales Tax Bonds debt service numbers. However, sales tax is pledged only to the extent of tax increment revenue not being sufficient to cover required bond payments.

CITY OF SOUTH JORDAN

Pledged Revenue Coverage (continued)

Last Ten Fiscal Years

(dollars in thousands)

| Fiscal Year | MBA Lease Revenue Bonds** | | | | | Tax Increment Revenue Bond* | | | | |
|-------------|---------------------------|--------------|----------|----------|------------------|-----------------------------|----------|----------|----------|--|
| | Sales and Use Tax | Debt Service | | | Project Revenues | Debt Service | | | Coverage | |
| | | Principal | Interest | Coverage | | Principal | Interest | Coverage | | |
| 2015 | \$ 725 | \$ 540 | \$ 185 | 1.00 | \$ 1,699 | \$ 937 | \$ 269 | 1.41 | | |
| 2016 | 723 | 555 | 168 | 1.00 | 1,702 | 967 | 228 | 1.42 | | |
| 2017 | 726 | 575 | 151 | 1.00 | 1,865 | 1,009 | 185 | 1.56 | | |
| 2018 | 724 | 590 | 134 | 1.00 | 1,409 | 1,054 | 141 | 1.18 | | |
| 2019 | 726 | 610 | 116 | 1.00 | 1,444 | 1,100 | 94 | 1.21 | | |
| 2020 | 722 | 625 | 97 | 1.00 | 2,101 | 1,049 | 46 | 1.92 | | |
| 2021 | 722 | 645 | 77 | 1.00 | - | - | - | - | | |
| 2022 | 2,094 | 2,060 | 34 | 1.00 | - | - | - | - | | |
| 2023 | - | - | - | - | - | - | - | - | | |
| 2024 | - | - | - | - | - | - | - | - | | |

Source: The City of South Jordan

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Operating expenses do not include interest, depreciation, or amortization expenses.

* The City paid off the 2008 RDA Tax Increment and Revenue Bond in fiscal year 2020.

** The City paid off the 2011 MBA Lease Revenue Bond in fiscal year 2022.

CITY OF SOUTH JORDAN
Demographic and Economic Statistics
 Last Ten Calendar Years

| <u>Calendar Year</u> | <u>Population</u> | <u>Personal Income (AGI)</u> | <u>Per Capita Personal Income</u> | <u>Unemployment Rate</u> |
|----------------------|-------------------|------------------------------|-----------------------------------|--------------------------|
| 2015 | 65,150 | \$ 2,193,367,224 | \$ 33,666 | 3.4% |
| 2016 | 69,023 | 2,471,196,627 | 35,803 | 3.2 |
| 2017 | 71,102 | 2,599,240,800 | 36,557 | 3.0 |
| 2018 | 71,732 | 2,847,443,922 | 39,696 | 2.9 |
| 2019 | 73,666 | 3,069,912,255 | 41,673 | 2.7 |
| 2020 | 77,550 | 3,363,663,604 | 43,374 | 4.0 |
| 2021 | 81,914 | 4,049,320,731 | 49,434 | 3.2 |
| 2022 | 86,313 | 4,085,547,069 | 47,334 | 2.4 |
| 2023 | 87,356 | 4,521,511,727 (1) | 51,760 | 2.7 |
| 2024 | 88,535 | 4,978,706,093 (1) | 56,234 | 2.9 |

Population provided by South Jordan Community Development Department.
 Unemployment Rate - Bureau of Labor Statistics, www.bls.gov,
 not seasonally adjusted, annual average ending June for Salt Lake County.

Personal Income - <http://tax.utah.gov/econstats/income/state-returns>
 In fiscal year 2023 the City started using state return reporting of federal
 return data due to lack of updates to federal return data.

(1) 2023 & 2024 Personal Income amounts not available at time of print; estimated
 based on average of prior years.

CITY OF SOUTH JORDAN

Principal Employers

Current Year and Ten Years Ago

| <u>Employer</u> | <u>2024</u> | | | <u>2015</u> | | |
|---------------------------------|---------------------|-------------|--|---------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Merit Medical | 2,058 | 1 | 6.62% | 1,612 | 1 | 6.75% |
| Ultradent | 1,576 | 3 | 5.07 | 1,030 | 3 | 4.31 |
| Jordan School District | 1,706 | 2 | 5.49 | 1,392 | 2 | 5.83 |
| Sam's Club/Wal-Mart Supercenter | 707 | 4 | 2.28 | 625 | 4 | 2.62 |
| Cricut | 696 | 6 | 2.24 | | | 0.00 |
| Lucid | 699 | 5 | 2.25 | | | 0.00 |
| South Jordan City | 586 | 7 | 1.89 | 481 | 9 | 2.01 |
| Lifetime Fitness | 561 | 8 | 1.81 | | | 0.00 |
| AdvancedMD | 537 | 9 | 1.73 | | | 0.00 |
| Merrick Bank Corporation | 520 | 10 | 1.67 | | | 0.00 |
| University Healthcare | | | 0.00 | | | 0.00 |
| Rio Tinto | | | 0.00 | 524 | 7 | 2.19 |
| Extend Health | | | 0.00 | 587 | 5 | 2.46 |
| IHC Health Services | | | 0.00 | 573 | 6 | 2.40 |
| Morgan Stanley Smith Barney | | | 0.00 | 403 | 10 | 1.69 |
| Dealer Track Systems | | | 0.00 | 488 | 8 | 2.04 |
| Total | <u><u>9,646</u></u> | | <u><u>31.02%</u></u> | <u><u>7,715</u></u> | | <u><u>32.30%</u></u> |

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Full-Time Equivalent City Government Employees by Function/Program

Last Ten Fiscal Years

| <u>Function/Program</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government | 10.27 | 11.25 | 10.87 | 9.53 | 9.62 | 10.24 | 10.26 | 11.44 | 11.44 | 11.54 |
| Management Services | 16.00 | 17.00 | 22.00 | 22.43 | 23.50 | 24.49 | 24.48 | 24.49 | 22.51 | 23.61 |
| Finance | 9.55 | 9.58 | 12.13 | 15.57 | 19.01 | 18.03 | 18.59 | 19.00 | 19.00 | 19.00 |
| Planning | 7.00 | 7.00 | 7.21 | 7.15 | 7.40 | 7.82 | 7.60 | 7.25 | 8.00 | 7.00 |
| Building | 12.00 | 13.00 | 14.00 | 13.00 | 13.00 | 13.00 | 13.00 | 14.00 | 14.00 | 12.00 |
| Legal ² | 6.52 | 7.30 | 5.37 | 6.39 | 6.36 | 6.70 | 6.68 | 5.90 | 6.64 | 6.51 |
| Municipal Court ² | 6.13 | 6.00 | 4.03 | 5.30 | 5.00 | 4.00 | 5.00 | 4.00 | 4.00 | 4.00 |
| Other | 28.02 | 28.22 | 29.80 | 30.01 | 27.57 | 26.69 | 25.71 | 26.23 | 27.98 | 27.80 |
| Police | | | | | | | | | | |
| Officers | 48.00 | 50.00 | 51.00 | 57.00 | 60.00 | 62.00 | 59.00 | 62.00 | 68.00 | 69.00 |
| Civilians | 14.58 | 13.22 | 15.99 | 14.43 | 15.65 | 14.80 | 16.93 | 18.92 | 19.25 | 19.31 |
| Fire | | | | | | | | | | |
| Firefighters and Officers | 48.10 | 48.58 | 63.22 | 62.69 | 61.85 | 65.36 | 71.85 | 81.04 | 85.95 | 86.18 |
| Civilians | 1.00 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Refuse Collections | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.19 | 5.17 | 5.00 | 5.00 |
| Other Public Works | | | | | | | | | | |
| Engineering | 17.00 | 17.00 | 17.81 | 18.04 | 19.32 | 18.75 | 19.24 | 18.99 | 19.62 | 22.11 |
| Streets ² | 14.13 | 14.33 | 14.22 | 17.10 | 16.16 | 15.24 | 15.16 | 14.00 | 19.00 | 18.00 |
| Storm Drain ² | 9.00 | 9.00 | 9.00 | 9.00 | 10.00 | 11.00 | 11.00 | 11.00 | 11.00 | 10.00 |
| Other | 14.66 | 15.73 | 14.22 | 15.67 | 17.00 | 17.00 | 18.00 | 19.00 | 21.00 | 20.13 |
| Redevelopment | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Parks and Recreation | 65.07 | 61.53 | 64.53 | 64.66 | 69.85 | 60.82 | 46.96 | 48.07 | 59.01 | 59.57 |
| Water | 20.07 | 21.12 | 21.42 | 22.57 | 21.18 | 20.50 | 22.06 | 24.00 | 24.00 | 26.00 |
| Total | <u>351.10</u> | <u>355.86</u> | <u>382.82</u> | <u>396.54</u> | <u>409.47</u> | <u>404.44</u> | <u>399.71</u> | <u>418.50</u> | <u>449.40</u> | <u>450.76</u> |

Source: The City of South Jordan HR Department

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

² New function breakout.

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

| Function/Program | Fiscal Year | | | | | | | | | |
|-------------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Patrol units | 52 | 52 | 59 | 65 | 66 | 68 | 69 | 71 | 86 | 87 |
| Fire Stations | 2 | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Other public works | | | | | | | | | | |
| Streets (City-maintained miles) | 265 | 269 | 284 | 296 | 308 | 325 | 342 | 351 | 355 | 359 |
| Streetlights | 5,463 | 5,620 | 5,871 | 4,947 | 5,060 | 6,287 | 6,589 | 6,814 | 6,960 | 6,135 |
| Storm drain (miles) | 129 | 134 | 137 | 140 | 142 | 149 | 154 | 157 | 159 | 162 |
| Traffic signals | 27 | 27 | 33 | 33 | 39 | 41 | 42 | 43 | 46 | 60 |
| Parks and recreation | | | | | | | | | | |
| Acreage | 400 | 403 | 404 | 496 | 506 | 506 | 506 | 506 | 506 | 506 |
| Playgrounds | 22 | 23 | 23 | 23 | 23 | 23 | 25 | 25 | 26 | 28 |
| Baseball/softball diamonds | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Soccer/football fields | 9 | 9 | 9 | 9 | 12 | 12 | 15 | 15 | 15 | 31 |
| Basketball/tennis/pickleball courts | 12 | 12 | 12 | 12 | 12 | 26 | 26 | 26 | 26 | 32 |
| Fishing ponds | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Community centers | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | | |
| Culinary water lines (miles) | 344 | 351 | 365 | 377 | 387 | 397 | 412 | 456 | 459 | 470 |
| Irrigation water lines (miles) | 116 | 122 | 124 | 106 | 107 | 109 | 112 | 116 | 116 | 114 |
| Fire hydrants | 3,327 | 3,399 | 3,526 | 3,642 | 3,751 | 3,889 | 3,973 | 4,087 | 4,126 | 4,181 |
| Storage capacity (thou. of gallons) | 33,600 | 33,600 | 33,600 | 38,600 | 38,600 | 38,600 | 38,600 | 38,600 | 38,600 | 38,600 |

Source: The City of South Jordan

CITY OF SOUTH JORDAN

Operating Indicators by Function/Program

Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Government | | | | | | | | | | |
| Building permits issued | 1,572 | 2,177 | 2,166 | 2,153 | 2,257 | 2,582 | 3,160 | 2,485 | 1,942 | 1,870 |
| Building inspections conducted | 59,103 | 59,604 | 19,924 | 32,649 | 30,910 | 31,068 | 37,535 | 37,663 | 33,090 | 26,165 |
| Police | | | | | | | | | | |
| Physical arrests | 1,001 | 832 | 1,012 | 1,258 | 1,215 | 1,148 | 751 | 374 | 585 | 572 |
| Parking violations | 515 | 474 | 279 | 192 | 285 | 526 | 202 | 341 | 29 | 22 |
| Traffic violations | 10,124 | 9,229 | 6,544 | 5,354 | 5,296 | 4,416 | 1,946 | 4,012 | 3,556 | 3,097 |
| Fire | | | | | | | | | | |
| Emergency responses | 2,998 | 3,321 | 6,335 | 4,580 | 4,399 | 4,536 | 5,894 | 6,381 | 6,966 | 8,264 |
| Fires extinguished | 76 | 84 | 118 | 95 | 96 | 121 | 149 | 150 | 114 | 152 |
| Inspections | 850 | 430 | 830 | 1,088 | 928 | 1,363 | 383 | 423 | 464 | 948 |
| Other public works | | | | | | | | | | |
| Street resurfacing (miles) | 42 | 68 | 53 | 57 | 79 | 29 | 39 | 37 | 17 | 22 |
| Potholes repaired | 348 | 134 | 169 | 94 | 135 | 159 | 89 | 76 | 160 | 490 |
| Parks and Recreation | | | | | | | | | | |
| Athletic field permits issued* | 8 | 8 | 19 | 19 | 19 | 13 | 17 | 24 | 36 | 34 |
| Community center admissions* | 24,978 | 25,363 | 26,377 | 30,597 | 29,067 | 11,776 | 2,916 | 13,747 | 16,609 | 19,332 |
| Water | | | | | | | | | | |
| New connections | 1,301 | 858 | 1,242 | 1,515 | 1,338 | 1,150 | 1,309 | 967 | 492 | 479 |
| Water main breaks* | 50 | 90 | 35 | 22 | 19 | 16 | 10 | 9 | 88 | 114 |
| Average daily consumption (thousands of gallons) | 12,250 | 12,500 | 13,800 | 13,531 | 13,642 | 13,115 | 17,030 | 14,660 | 14,760 | 14,619 |
| Peak daily consumption* (thousands of gallons) | 30,670 | 29,033 | 34,040 | 31,760 | 34,230 | 36,130 | 36,834 | 30,580 | 32,640 | 38,414 |

Source: The City of South Jordan

Note: Community Center admissions is an estimate.

* Indicates Estimated Indicators

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SUPPLEMENTAL REPORTS

City of South Jordan, Utah
Supplemental Reports
For the Fiscal Year Ended June 30, 2024

Table of Contents

| | |
|---|------------|
| SUPPLEMENTAL REPORTS | 157 |
| Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 159 |
| Independent Auditors’ Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i> | 161 |



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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BEN H PROBST, CPA
RONALD J. STEWART, CPA

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

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 South Jordan
South Jordan, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 31, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South Jordan’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 which 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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, 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 are 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.

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 31, 2024



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

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

Report On Compliance

We have audited the City of South Jordan's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenue
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Utah Retirement Systems
- Public Treasurer's Bond

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's compliance based on our audit of the state 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 for 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 South Jordan, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

Report on Internal Control over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with 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 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 state 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 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 state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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 the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Gilbert & Stewart
GILBERT & STEWART, CPA PC
Provo, Utah
December 31, 2024

Single Audit



**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

South Jordan City
 South Jordan, Utah

Report on Compliance for Each Major Federal Program

We have audited South Jordan City’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 each of the City’s major federal programs for the year ended June 30, 2024. The City’s major federal programs are 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 the 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 each of the City’s major federal programs 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 each 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, South Jordan 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, 2024.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of 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.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Nancy Salas

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 15, 2025 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of 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 related 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.

Gilbert & Stewart

GILBERT & STEWART, CPA's
Provo, Utah
March 15, 2025

CITY OF SOUTH JORDAN
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal CFDA Number | Direct or Pass-through Grantor's Contract | Expenditures | Amounts Passed Through to Subrecipients |
|---|----------------------------|--|---------------------|--|
| <u>U.S. Department of Agriculture</u> | | | | |
| Passed through from State of Utah Cooperative Forestry Assistance | 10.664 | 19-DG-11046000-615 | \$ 5,746 | \$ - |
| Total Department of Agriculture | | | 5,746 | - |
| <u>U.S. Department of Homeland Security</u> | | | | |
| Passed through from State of Utah Emergency Management Performance Grants | 97.042 | EMPG-2022-DEM-024 | 28,000 | - |
| Total Department of Homeland Security | | | 28,000 | - |
| <u>U.S. Department of the Interior</u> | | | | |
| Passed through from the Bureau of Reclamation WaterSMART Grant | 15.507 | R20AP0091 | - | - |
| Total Department of the Interior | | | - | - |
| <u>U.S. Department of Justice</u> | | | | |
| Passed through from Utah Office for Victims of Crime Victims of Crime Act Grant | 16.575 | 23/24VOCA38 | 31,579 | - |
| Total Victims of Crime Act Grant | | | 31,579 | - |
| Passed through from Utah CCJJ Justice Assistance Grant | 16.738 | 19A174 | - | - |
| Total Justice Assistance Grant | | | - | - |
| Total Department of Justice | | | 31,579 | - |
| <u>U.S. Department of Treasury</u> | | | | |
| Passed through from Utah Governor's Office of Economic Opportunity COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) | 21.027 | 230630579 | 435,920 | - |
| US Department of Treasury Equitable Sharing Federal Forfeiture Funds | 21.016 | Not Provided | - | 0 |
| Total Department of Treasury | | | 435,920 | - |
| <u>U.S. Department of Housing and Urban Development</u> | | | | |
| CDBG Entitlement Grants Cluster | 14.218 | N/A | 448,473 | 28,000 |
| Total Department of Housing and Urban Development | | | 448,473 | 28,000 |
| Total Federal Financial Assistance | | | \$ 949,718 | \$ 28,000 |

CITY OF SOUTH JORDAN

Notes to Schedule of Expenditures of Federal Awards

June 30, 2024

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal awards (the schedule) includes the federal grant activity of the City of South Jordan under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the 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)*. Because the schedule presents only a selected portion of the operations of the City of South Jordan, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City of South Jordan.

Note 2 - Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the City expenditure of Federal awards. The schedule has been prepared on the same basis of accounting as the financial statements. Most of the awards are reimbursement based. Therefore, as expenditures of Federal funds are made, revenue is recognized. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The City of South Jordan has not elected to use the 10% de minimis cost rate.

Note 4 - Accounts Receivable

The financial statements include accounts receivable from Federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect federal awards that have been expended by year end and not yet reimbursed.

CITY OF SOUTH JORDAN
Schedule of Findings and Questioned Costs
June 30, 2024

SUMMARY OF AUDITOR’S RESULTS

1. The auditor’s report expresses an unmodified opinion on the basic financial statements.
2. No instances of noncompliance material to the basic financial statements, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No significant deficiencies in internal control over the major federal award programs were reported in this schedule.
4. The auditor’s report on compliance for the major federal award program for South Jordan City expressed an unmodified opinion on the major federal program.
5. There are not audit findings that are required to be reported in accordance with 2CFR Section 200.516(a).
6. The following program was tested as a major program: Coronavirus State and Local Fiscal Recover Funds, CFDA# 21.027.
7. The threshold for distinguishing Types A and B programs was \$750,000.
8. South Jordan City does not qualify as a low-risk auditee.

FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS - PRIOR YEAR AUDIT

None

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