

City of South Jordan, Utah

# Popular Annual Financial Report 2022



**Fiscal Year Ended  
June 30, 2022**

**Prepared By: The Finance Department**



City of South Jordan

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## About this Report

The City of South Jordan’s Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City’s audited 2022 Annual Comprehensive Financial Report (ACFR), with selected information from ACFRs prepared in earlier years. Information is also derived from the City’s fiscal year 2022 and 2023 budgets.

The ACFR provides a more detailed and complete financial presentation prepared according to Generally Accepted Accounting Principles (GAAP). The ACFR provides much more detail, as well as, full disclosure of material events, both financial and non-financial. The GAAP presentation also includes the City’s component units (related organizations) and fiduciary funds, along with information on individual funds. This report does not include any information on the City’s Fiduciary Fund; information is available in the City’s ACFR.

This PAFR has been prepared to simplify the information in the ACFR and better inform the public about the overall financial picture of the City without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.



# CITY OF SOUTH JORDAN

## LETTER FROM THE CFO/BUDGET OFFICER

TO OUR RESIDENTS, COUNCIL, AND STAFF,

In our ongoing efforts to inform residents about the City’s finances and to support our commitment to fiscally responsible governance, we are pleased to present the 2022 Popular Annual Financial report (PAFR). This report is intended to summarize the financial activities of the City which are reported in more detail in the 2022 audited Annual Comprehensive Financial Report (ACFR). Unlike the ACFR, the PAFR is not an audited document and does not include technical details, nor does it include other disclosures required by Generally Accepted Accounting Principles (GAAP). For more detailed information including the ACFR, Annual Budget, and other financial reports, please go online to <https://www.sjc.utah.gov/238/Finance-Department>.



Regards,

CFO/Budget Officer



### Service Values

**Integrity**—We do the right thing, even when no one is looking.

**Service**—We listen, understand, and deliver.

**Professionalism**—We are committed to be the best.

**Communication**—We are respectful and collaborative.

**Excellence**—We continue to raise the bar on our performance.

## ABOUT THE CITY

### GOVERNMENT ORGANIZATION

#### SOUTH JORDAN MAYOR AND CITY COUNCIL



(FROM LEFT TO RIGHT): COUNCIL MEMBER PATRICK HARRIS (DISTRICT 1), COUNCIL MEMBER DONALD J. SHELTON (DISTRICT 3), COUNCIL MEMBER TAMARA ZANDER (DISTRICT 4), MAYOR DAWN R. RAMSEY, COUNCIL MEMBER JASON T. MCGUIRE (DISTRICT 5), COUNCIL MEMBER BRAD MARLOR (DISTRICT 2).

#### CITY LEADERSHIP

The City of South Jordan is a city of the second class in south central Salt Lake County in Utah. The City is overseen by a six-member council form of government. By ordinance, legislative powers are vested in a governing body consisting of a Mayor and five-member City Council. The City is made up of five districts with council members elected for four-year terms, with the Mayor elected at-large for a four-year term, all on a nonpartisan basis.

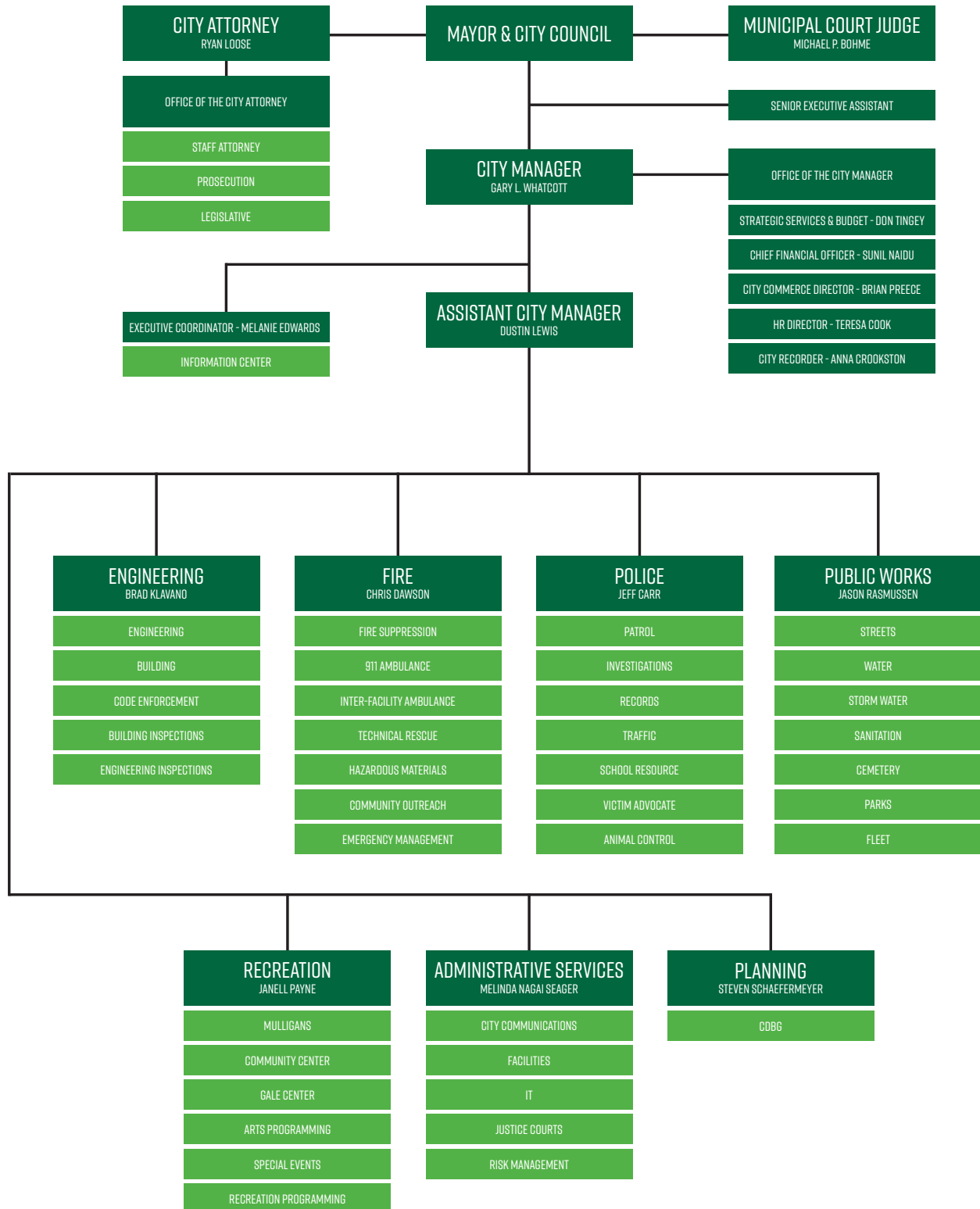
The Council appoints the City Manager, the City Attorney, the Municipal Court Judge, the Chief Financial Office/Budget Officer, the City Treasurer, and the City Recorder, who in turn manage the professional municipal organization.

#### CITY SERVICES

The City of South Jordan provides a full range of services including: police, fire, utilities (including water, recycling, sanitation), streets, transportation, transit infrastructure, parks, recreation, natural areas, animal services, cultural facilities, planning and engineering, court, and Mulligans Golf Course.

# ABOUT THE CITY

## ORGANIZATION CHART



# SOUTH JORDAN

## GETTING TO KNOW OUR CITY



The City of South Jordan was settled in 1859 and was incorporated in 1935. The City is located in Salt Lake County and is approximately 22.26 square miles. South Jordan is located in the Jordan School District and has a growing population. It is currently the 10th largest City in the State of Utah. The City offers a variety of different recreational opportunities, which have been expanded in the past year by constructing and improving several parks and repaving key trails.

In fiscal year 2022, the City welcomed several notable additions and/or expansions to businesses including: AmTrust, PointClick Care Technologies USA Corp, Harmon’s Daybreak Location, Psomas Corp., and Jordan Credit Union (headquarters).

### Quick Facts

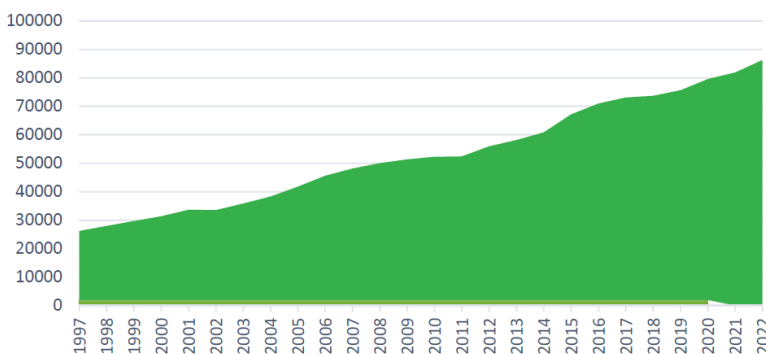
- Estimated population: **86,313** (City of South Jordan 2021)
- Unemployment Rate: **2.4%** (Bureau of Labor Statistics estimate June 2022 for SL County)
- Median Age: **34.4** (American Community Survey 2021 estimate)
- Median Household Income: **\$104,170** (American Community Survey 2021 1-year estimate)
- Education Level: **97.6%** of population is a High School Graduate or Equivalent and **44.8%** have at least a Bachelor Degree (US Census Bureau 2021 1-year estimate)
- Sales Tax Rate: **7.25%** (Utah Tax Commission)
- Median House Price **\$460,600** (US Census Bureau 2021 1-year estimate)

### TOP EMPLOYERS BY NUMBER OF EMPLOYEES

Employer	Employees
Merit Medical	2,118
Jordan School District	1,984
Ultradent	1,282
Sam's Club/Walmart	889
Cricut	800
Lucid	750
Willis Towers Watson	687
AdvancedMD	537
City of South Jordan	525
Intermountain Homecare	503

Source: City of South Jordan

### Population Trend



Source: City of South Jordan



# SOUTH JORDAN

## STRATEGIC PRIORITIES



### SC SAFE COMMUNITY

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

- 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

### RPI RELIABLE PUBLIC INFRASTRUCTURE

South Jordan City plans, constructs, and maintains reliable infrastructure and public facilities that align with community needs.

- RPI-1. **PLANS & 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 & OPERATES** quality public infrastructure
- RPI-4. **ENSURES** funding from multiple stakeholders to effectively plan, develop, staff and operate quality public infrastructure

### BRE BALANCED REGULATORY ENVIRONMENT

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

- BRE-1. **DEVELOPS** effective, well-balanced and consistently applied ordinances and policies
- BRE-2. **IMPLEMENTES** ordinances and policies that encourage quality community growth and development
- BRE-3. **EDUCATES & 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

### DAOS DESIRABLE AMENITIES & OPEN SPACE

South Jordan City promotes a strong sense of place by providing parks, trails, open space, and a variety of art, cultural and recreational opportunities.

- 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

## STRATEGIC PRIORITIES

ED

### ECONOMIC DEVELOPMENT



South Jordan City promotes economic development by facilitating efforts with employers and developers to increase the City's tax base for a sustainable future.

**ED-1. EXPANDS, ATTRACTS & 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

SG

### SUSTAINABLE GROWTH



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

**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 & 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

EC

### ENGAGED COMMUNITY



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

**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

FRG

### FISCALLY RESPONSIBLE GOVERNANCE



South Jordan City provides fiscally efficient and effective governance through best practices, innovation, program evaluation, competitive pay, professionalism and continuous improvement.

**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: PROTECTS**, 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 & Planning: SUPPORTS** decision-making with timely and accurate short-term and long-range analysis that enhances vision and planning

# CITY OF SOUTH JORDAN

## FINANCIAL RESULTS



This statement is presented on a basis of accounting called accrual accounting. Accrual accounting matches expenses with the related revenues and are reported when the expense occurs, not when the cash is paid. This means “Net Position” reported on this statement does not correlate with funds available to meet the City’s obligations.

### NET POSITION

The net position, or net worth, of the City as of June 30, 2022 was \$606 million. Of the net position amount, \$147.5 million was unrestricted and is available to meet ongoing obligations of the City. The City’s net position increased by \$39.2 million (6.9%). The governmental net position increased by \$33.1 million (8.7%) and the business-type net position increased by \$6.1 million (3.2%).

The City’s long-term debt outstanding increased by \$1.0 million largely due to the City making its regularly scheduled debt service payments and issuing new debt for \$9.7 million. The City’s net pension liability decreased by \$2.2 million largely from the City making required contributions and investment returns. Total capital assets increased by \$11.7 million largely from donated infrastructure from developers and the City working on several projects including completing the new Fire Station 64 in the western portion of the City.

### Summary of Net Position At June 30 (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 183,480	\$ 156,868	\$ 54,866	\$ 54,374	\$ 238,346	\$ 211,242
Net Pension Asset	11,336	2,114	485	-	11,821	2,114
Capital Assets	347,993	339,596	146,763	143,508	494,756	483,104
<b>Total Assets</b>	<b>542,809</b>	<b>498,578</b>	<b>202,114</b>	<b>197,882</b>	<b>744,923</b>	<b>696,460</b>
Total Deferred Outflows of Resources	4,848	3,909	365	353	5,213	4,262
Long-Term Debt Outstanding	80,118	76,976	4,928	7,094	85,046	84,070
Net Pension Liability	-	1,851	-	306	-	2,157
Other Liabilities	11,384	13,839	2,895	2,749	14,279	16,588
<b>Total Liabilities</b>	<b>91,502</b>	<b>92,666</b>	<b>7,823</b>	<b>10,149</b>	<b>99,325</b>	<b>102,815</b>
Total Deferred Inflows of Resources	43,895	30,688	937	430	44,832	31,118
Net Investment in Capital Assets	279,935	263,335	141,874	136,481	421,809	399,816
Restricted	32,682	14,644	3,959	3,892	36,641	18,536
Unrestricted	99,643	101,154	47,885	47,284	147,528	148,438
<b>Total Net Position</b>	<b>\$ 412,260</b>	<b>\$ 379,133</b>	<b>\$ 193,718</b>	<b>\$ 187,657</b>	<b>\$ 605,978</b>	<b>\$ 566,790</b>

\*\*Information on this page provided from the Statement of Net Position of the respective year’s ACFR.

# CITY OF SOUTH JORDAN

## FINANCIAL RESULTS



### DID YOU KNOW?

Donated infrastructure are items such as streets, sidewalks, water lines, curb and gutter that developers put in when they build housing or business projects. These infrastructure items are usually turned over to the City to maintain and therefore are recorded as a revenue (contribution) to the City.

#### SUMMARY OF ACTIVITIES

Governmental revenues increased by \$1.0 million, largely from increased sales tax and charges for services. Property tax decreased largely from the City closing one of its tax increment areas. The City did receive more sales tax revenues than the prior year (\$2.7 million). The City also received funds from the American Rescue Plan Act (ARPA) from the federal government (\$2.8 million). In addition, governmental expenses were down \$7.3 million when compared to the prior year.

Business-type revenues were down \$4.7 million largely from decreased donated infrastructure (\$2.0 million) and decreased operating revenues from decreased usage (\$1.8 million) compared to the prior year. Although lower compared to the prior year, the City experienced better than anticipated charges for services from water, sanitation, and Mulligans Golf. Business-type expenses decreased compared to 2021 largely from decreased water usage expenses. More detailed information on the City's revenues and expenses are provided in the following pages.

#### Condensed Summary of Activities

As of June 30 (In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 21,083	\$ 18,604	\$ 30,064	\$ 31,481	\$ 51,147	\$ 50,085
Grants and Contributions	24,382	25,196	2,988	5,695	27,370	30,891
<b>General Revenues:</b>						
Property Taxes	25,626	27,588	-	-	25,626	27,588
Sales and Use Tax	22,684	20,017	-	-	22,684	20,017
Other Revenue	8,156	9,552	(280)	307	7,876	9,859
<b>Total Revenues</b>	<b>101,931</b>	<b>100,957</b>	<b>32,772</b>	<b>37,483</b>	<b>134,703</b>	<b>138,440</b>
<b>Expenses</b>	68,963	76,236	27,073	27,831	96,036	104,067
Gain on Sale of Capital Assets	(522)	(1,896)	-	-	(522)	(1,896)
Transfers	362	(462)	(362)	462	-	-
Increase in Net Position	33,128	27,078	6,061	9,190	39,189	36,268
Net Position - Beginning	379,132	352,054	187,657	178,467	566,789	530,521
Net Position - Ending	\$ 412,260	\$ 379,132	\$ 193,718	\$ 187,657	\$ 605,978	\$ 566,789

\*\*Information on this page provided from the Statement of Activities of the respective year's ACFR.



The City is showing negative interest revenue because the City has to book the fair value of its investments to comply with Generally Accepted Accounting Principles. The City did not lose any money on investments, but fair value books the value of investment as if it were sold at the estimated market value as of year end.

## GOVERNMENTAL FUNDS

### Revenues—Types of Revenues the City Collects

#### SALES AND USE TAX

Sales tax in South Jordan has a combined rate of 7.25 percent. Only 1 percent is allocated to South Jordan. This is used to fund other services offered that do not charge for services, such as police and fire.

#### PROPERTY TAX

For primary residences, homeowners pay tax on 55 percent of the assessed value. Each year the City submits a “certified rate” which will provide the same amount of property tax revenue to the City as in the previous year, excluding revenue generated by new growth. The City’s current rate for calendar year 2022 is .00144 and the rate in calendar year 2021 was .001628. This is used to fund other services offered that do not charge for services, such as police and fire.

#### OTHER TAXES

Other taxes not specifically broken out are energy sales and use tax, telecommunications license tax, transient room tax, local transit tax, and cable television franchise tax.

#### INTERGOVERNMENTAL REVENUES

This represents funds received from other governmental entities. The majority of these funds received in 2022 were ARPA (American Rescue Plan Act) funds from the Federal Government. In addition, the City received Class C Road Funds from the state of Utah, and several other grants and reimbursements from both the State and Federal Governments.



#### IMPACT FEES

Fees used to offset the additional burden on the City infrastructure caused by new developments within the City.

#### LICENSES AND PERMITS

Includes building permits, business licenses, solid waste license fees, and other miscellaneous licenses and permits the City issues.

#### FINES AND FORFEITURES

Payment for violations of state statute and/or city ordinance.

#### SPECIAL ASSESSMENTS

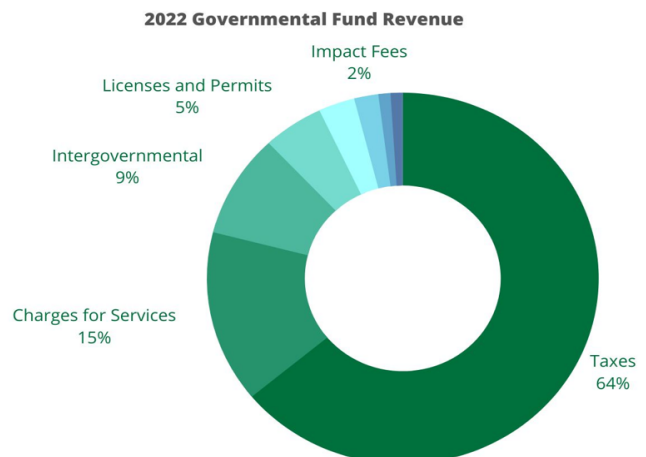
Revenues collected from new developments within the Special Assessment Area (Daybreak) that are used to pay for the 2016 Special Area Assessment Bond that helped finance the infrastructure for development.

#### MISCELLANEOUS REVENUE

Revenues received that are not otherwise categorized in another area.

#### INTEREST

Interest revenue earned on funds in the City’s bank accounts and investments.



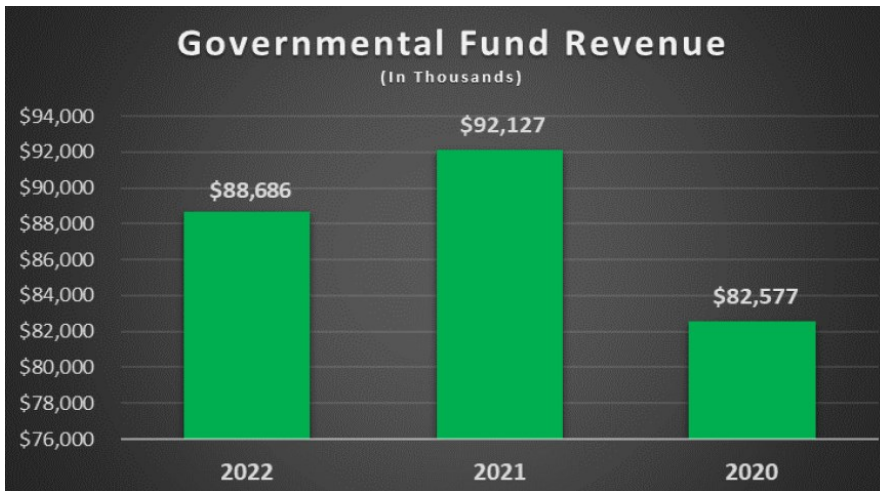


Governmental revenues are presented using modified accrual accounting which recognizes revenues when they become available and measurable, and generally recognizes expenses when they have occurred.

## GOVERNMENTAL REVENUES

### By the Numbers—Governmental Revenue

#### 3-Year Comparison of Governmental Fund Revenue



**Why did revenues decline last year?** In fiscal year 2021, the City received 2 large federal grants (\$5,012,280) from both the CARES Act and ARPA. In fiscal year 2022, the City received its second and final payment from the ARP Act (\$2,821,820). No CARES act funds were received in 2022. In addition, the City’s Redevelopment Agency (RDA) collected less property tax than the prior year because the City completed one of its project areas. Overall, the City received more revenue than budgeted and did not overspend its budgeted expenses.

#### Quick Facts

- Taxes were the largest source of government revenue in fiscal year 2022, accounting for approximately 64.6 percent of all governmental revenues.
- Sales tax revenues increased by \$2,666,698 due to increased revenue from grocery retail and car sales. Despite the pandemic and economic condition, the City and State’s economy has continued to grow.
- The City received \$2,821,820 in federal ARPA funds in fiscal year 2022.
- Charges for services increased by \$1,939,045 due to increased demand for services largely from increased population in the City.
- Property tax accounts for approximately 15 percent of all governmental revenues. General property tax revenues increased by 10 percent in fiscal year 2022 due to new growth.

Governmental Fund Revenue (Thousands)	2022	2021	2020
Taxes	\$ 57,284	\$ 55,742	\$ 51,288
Licenses and Permits	4,540	5,470	4,033
Intergovernmental	7,764	9,150	6,562
Charges for Services	13,461	11,522	10,186
Fines and Forfeitures	489	510	455
Special Assessments	2,759	3,805	2,991
Interest	(784)	1,413	2,813
Impact Fees	1,721	2,175	2,173
Miscellaneous	1,452	2,341	2,075
<b>Total</b>	<b>\$ 88,686</b>	<b>\$ 92,127</b>	<b>\$ 82,577</b>

\*\*Information on this page provided from the Statement of Revenues, Expenditures, and Changes in Fund Balance of the respective year’s ACFR.



# GOVERNMENTAL FUNDS

## By the Numbers - Property Taxes

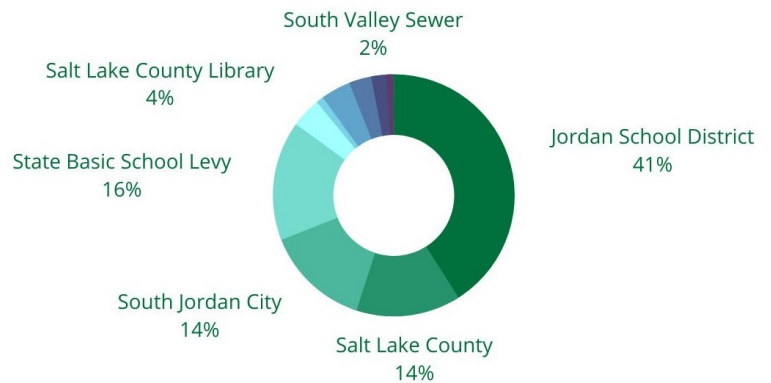
**Did You Know?** South Jordan City only receives approximately \$0.14 of every \$1 paid in property tax.

The City receives the exact same amount of property tax each year, except for new growth. So even as your property value increases, the City still gets the same amount of tax, so your tax rate actually decreases when your house value increases. Property taxes can only be raised through a process known as "Truth in Taxation" where the City must provide proper notification, education, and a public hearing before a tax rate increase is implemented.

### How Property Tax Works

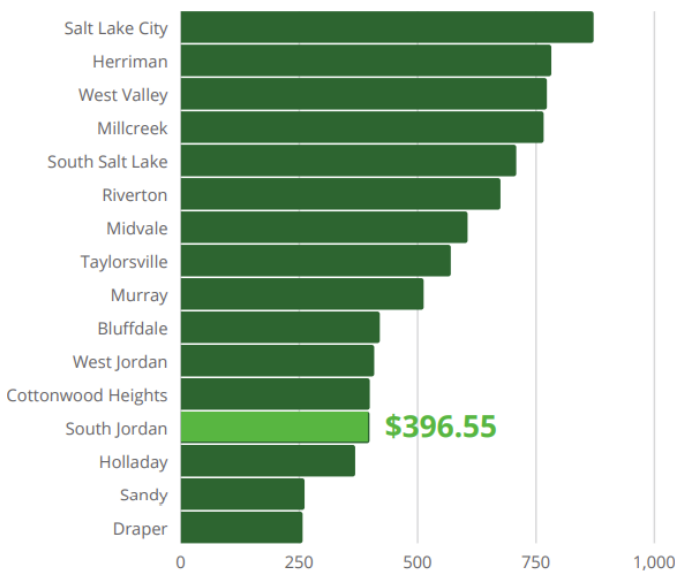
For primary residences, homeowners pay tax on 55 percent of the assessed value. Each year a "certified tax rate" is calculated by the Utah State Tax Commission. This certified rate will provide the same amount of property tax revenue to the City as the previous year, excluding the revenue generated from new growth. Property tax revenue does not have any built-in inflationary measures. Which means as property values increase, the property tax rate decreases. The City's rate has declined the past five years as home values have increased.

### 2022 PROPERTY TAX DISTRIBUTION



### HOW DO YOUR PROPERTY TAXES COMPARE?

\*Based on a \$500,000 assessed home value (\$275,000 taxable) in 2022.



For every dollar of taxes paid, the City receives only 14 percent or 14 cents. Other entities receiving property tax, include Jordan School District and Salt Lake County. Property taxes are used to pay for services provided by the City that are not paid or fully paid with fees. Examples include: police, fire, parks and recreation, streets, and general administration. In August 2022, the City increased property taxes for calendar year 2022, despite this increase, the property tax rate declined when compared to the prior four years.

*The city's property tax rate has declined the past 5 years.*



## GOVERNMENTAL FUNDS

### By the Numbers - Sales Taxes

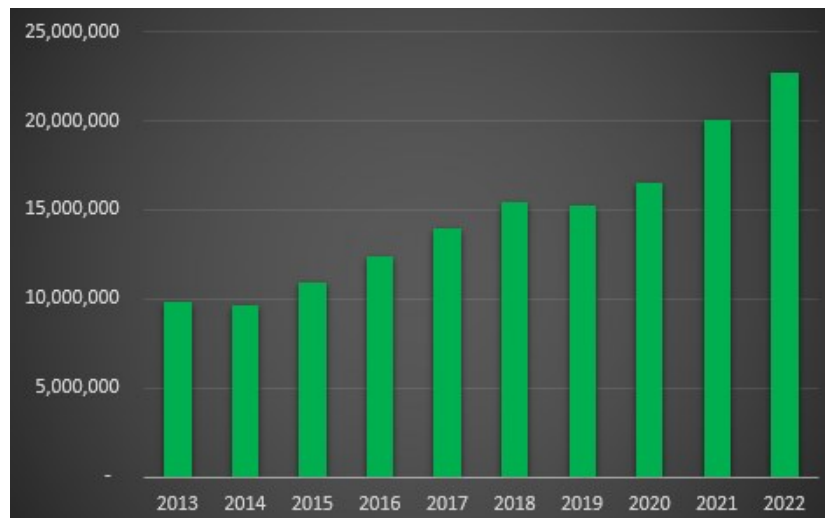
Buying local not only supports local jobs and companies, it helps keep taxes low by increasing the amount of sales tax the City receives.

**Sales tax** is the largest source of revenue in the General Fund (36.8 percent). Of the total 7.25 percent collected by the Utah State Tax Commission on sales within South Jordan, 1 percent is allocated to local government. The remaining 6.25 percent is distributed as follows: State of Utah (4.85 percent), Mass Transit (1.05 percent), Salt Lake County (0.25 percent), and Zoo, Arts, & Parks (ZAP) (0.1 percent).

#### How Sales Tax Works

The City of South Jordan receives sales tax based on a specified formula directed by the state of Utah. Of the 1 percent of sales tax collected within South Jordan, 50 percent is distributed to South Jordan and the rest is distributed to all Utah cities based on a formula set by the State which is determined by each city’s population. South Jordan has seen a substantial increase in sales tax dollars going from \$9,815,735 in 2013 to \$22,683,696 in fiscal year 2022. Growth in sales tax has been largely due to increased population, socio-economic status, and overall strong economic position of the City.

#### 10-Year Sales Tax Trend



#### Top 10 Sales Tax Payers

Tax Payer	Direct POS
Retail/Grocery	\$ 2,228,502
Retail/Grocery	1,152,861
Auto Sales	1,038,098
Retail/Grocery	876,329
Auto Sales	802,069
Auto Sales	775,844
Retail/Grocery	731,947
Auto Sales	714,235
Auto Sales	686,360
Retail/Grocery	639,348



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

# GOVERNMENTAL FUNDS

## Expenditures—How the Money is Spent

### GENERAL GOVERNMENT

Includes expenditures for administrative departments such as city management, finance, the office of the city attorney, human resources, city commerce, and the city recorder.

### PUBLIC SAFETY

Includes expenditures for police, fire, and animal control.

### ADMINISTRATIVE SERVICES

Includes expenditures for facilities, the justice court, communications/marketing, information services, the information center, and risk management.

### PUBLIC WORKS

Includes expenditures for street, street lights, storm water, fleet, parks, and cemetery.

### DEVELOPMENT SERVICES

Includes expenditures related to engineering, planning, and the City’s building department.

### RECREATION

Includes expenditures related to recreation programs and the senior center.

### DEBT SERVICE

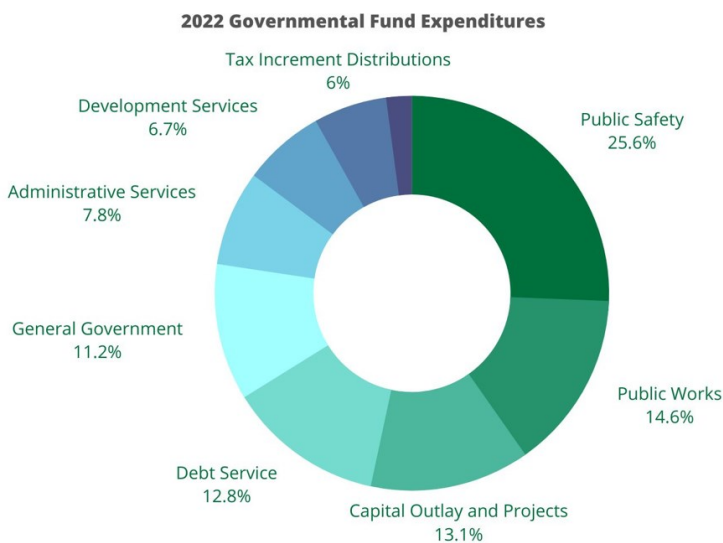
Includes expenditures for payments on the City’s long-term debt.

### TAX INCREMENT DISTRIBUTIONS

Includes expenditures by the City’s Redevelopment Agency (RDA) for payment to entities based on signed agreements.

### CAPITAL OUTLAY AND PROJECTS

Includes expenditures related to the construction of capital projects or equipment within the City, such as roads, streets, parks, etc.



\*\*All information on this page provided from Statement of Revenues, Expenditures, and Changes in Fund Balance of the respective year’s ACFR.

# GOVERNMENTAL FUNDS

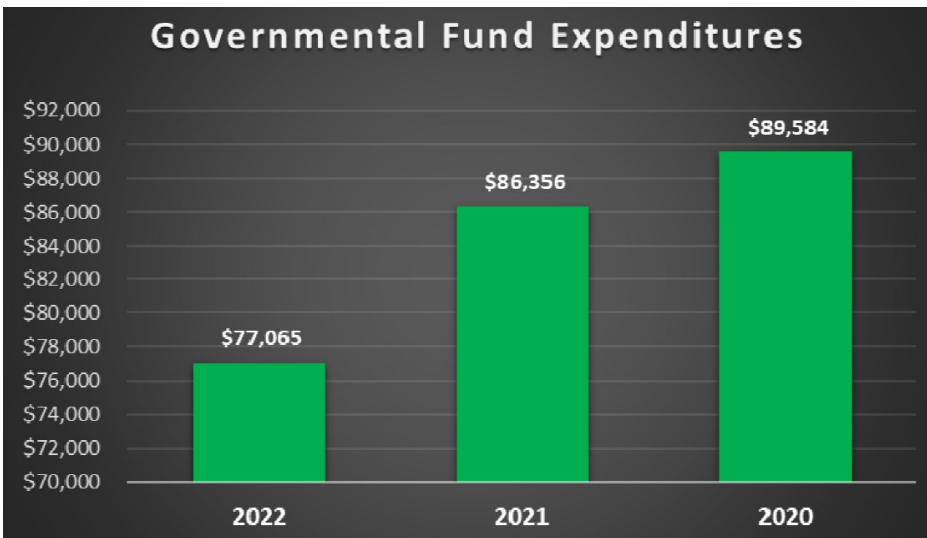


Governmental revenues and expenses are presented using modified accrual accounting which recognizes revenues when they become available and measurable, and generally recognizes expenses when they have occurred.

## Where did the Money Go?

### 3-Year Comparison of Governmental Fund Expenditures

#### Governmental Fund Expenditures



**Why have expenses decreased the last 3 years?** Every year there are fluctuations in expenses due to operational needs, inflation, and personnel changes. However, in fiscal year 2021 and 2020, the City had large one-time tax increment payments, which did not occur in fiscal year 2022. In addition, in fiscal year 2022 the City did not complete as much work on major projects compared to prior years. This was largely due to COVID related shortages and completion of larger projects in prior years.

### Quick Facts

- Capital Outlay and projects accounted for approximately 13.1 percent of all governmental expenditures in fiscal year 2022.
- Expenditures related to fire, police, and animal control accounted for 25.6 percent of all expenditures in fiscal year 2022. This was a larger portion of governmental expenses compared to fiscal year 2021 due to increased personnel costs and the addition of a new fire station.
- Expenditures related to public works increased by \$1,952,441 compared to the prior year largely due to moving parks back to public works.
- Debt service and interest expenditures increased compared to the prior year by \$1,070,139 due to the City paying off bonds early.

Governmental Fund Expenditures (Thousands)	2022	2021	2020
General Government	\$ 8,626	\$ 6,998	\$ 6,941
Administrative Services	6,046	9,820	9,658
Community Services	-	-	-
Development Services	5,176	5,067	5,030
Public Works	11,275	9,322	7,935
Recreation	1,605		1,161
Public Safety	19,733	17,684	16,477
Tax Increment Distributions	4,610	13,772	8,658
Capital Outlay and Projects	10,082	14,824	20,466
Developer Reimbursement	34	61	193
Debt Service	9,878	8,808	13,065
Bond Issuance Costs	-	-	-
<b>Total</b>	<b>\$ 77,065</b>	<b>\$ 86,356</b>	<b>\$ 89,584</b>

\*\*Information on this page provided from Statement of Revenues, Expenditures, and Changes in Fund Balance of the respective year's ACFR.





# CITY OF SOUTH JORDAN

## Long-Term Obligations

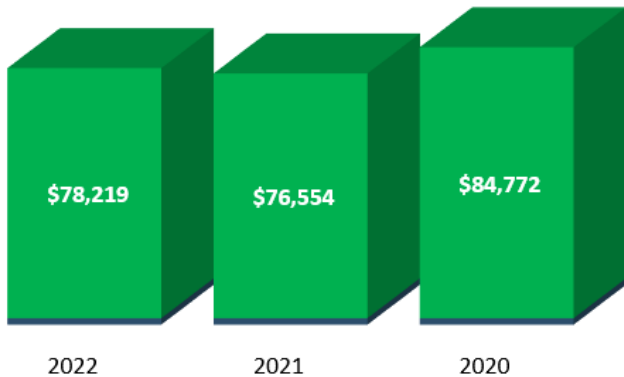
The City of South Jordan has several long-term obligations comprised predominately of bonds, which is the City's primary financing tool for large, long-term projects that cannot be financed with existing funds. The City's debt is comprised of two major components - revenue and special assessment bonds. Revenue bonds are debt secured by future income streams such as sales tax, tax increment, or water revenues. The City has two bonds secured by sales tax, one by tax increment, and one bond secured by water revenue. Special assessment debt is debt secured by revenues from special assessments levied against benefited property owners. The City has one bond secured by special assessment. In fiscal year 2022, the City entered into a loan with the Utah Department of Transportation for \$9.7 million for infrastructure projects, which is represented as a notes payable on the financial statements.



The City of South Jordan has a AAA revenue and implied GO Bond rating. This is the highest rating available. By keeping the City's rating at AAA, the City is able to take advantage of lower borrowing costs.

Governmental debt increased by approximately \$3.6 million in fiscal year 2022, largely due to the City making its regular debt service payments and adding \$9.7 million in notes payable. The City's business-type debt decreased by \$1.9 million largely from the City making its regularly scheduled principal payments.

### Total Outstanding Debt



Outstanding Debt			
(In Thousands)			
Governmental	2022	2021	2020
Revenue Bonds	\$ 41,095	\$ 45,250	\$ 47,900
Special Assessment Bonds	19,560	22,450	25,640
Lease Payable	234	-	-
Notes Payable	9,700	-	-
Compensated Absences	2,955	2,360	2,588
Claims and Judgments	243	144	193
<b>Total Governmental</b>	<b>73,787</b>	<b>70,204</b>	<b>76,321</b>
Business-Type			
Revenue Bonds	4,235	6,205	8,300
Lease Payable	30	-	-
Compensated Absences	167	145	151
<b>Total Business-Type</b>	<b>4,432</b>	<b>6,350</b>	<b>8,451</b>
<b>Total Outstanding Debt</b>	<b>\$ 78,219</b>	<b>\$ 76,554</b>	<b>\$ 84,772</b>

### Limitation on Debt?

**Question:** Is there a limit on the amount of debt a City can issue?

**Answer:** Yes, the total general obligation and revenue bonded debt of the City is limited by the Utah Constitution (Article 14, Section 4) to 8 percent of the "reasonable fair cash value" of property. The City's debt limit in fiscal year 2022 was \$1,150 million. The City's current outstanding bonded debt of \$64.9 million is approximately 5.6 percent of the City's legal limit.

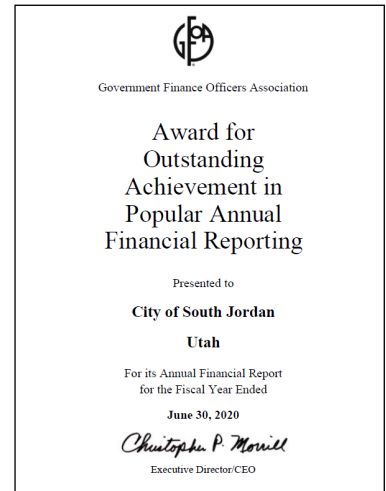


# CITY OF SOUTH JORDAN

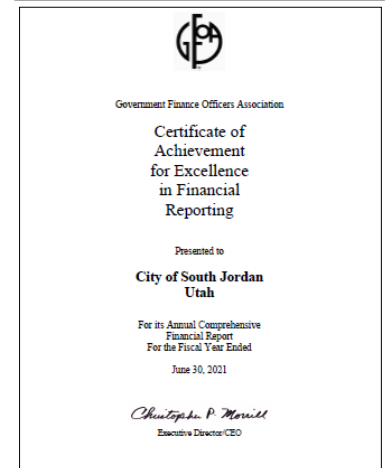
## Awards & Accolades

GFOA is currently facing a backlog of PAFR's to evaluate with an estimated 6-9 month turnaround. The City hopes to get is FY2021 PAFR results soon.

**Award for Outstanding Achievement in Popular Annual Financial Reporting**—The 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, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government 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 eight consecutive years 2013-2020. We believe that our current PAFR continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another award.



**Certificate of Achievement for Excellence in Financial Reporting**— The City of South Jordan’s Annual Comprehensive Financial Report for the years ended 2020-2021 was awarded the **Certificate of Achievement for Excellence in Financial Reporting** by Government Finance Officers Association of the United States and Canada (GFOA). This was the 36th consecutive year the City has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report (ACFR), whose contents conform to program standards. Such an ACFR 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 ACFR continues to conform to the Certificate of Achievement Program’s requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.



**Distinguished Budget Presentation Award**—The GFOA presented a **Distinguished Budget Presentation Award** to the City for its annual budget for the fiscal year beginning July 1, 2022. This was the 29th consecutive year the City has received this prestigious award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of one year. The City has submitted an application for this award for the fiscal year beginning July 1, 2023.



South Jordan City was named in 2021 as one of Salt Lake Tribune’s “Utah Top Workplaces”, for the 3rd consecutive year for midsized companies.



# SOUTH JORDAN PAFR GLOSSARY

## DEFINITIONS

**BUSINESS-TYPE ACTIVITIES**—The City’s activities that are funded primarily through user charges. Business-type activities include water operations, Mulligans Golf and Games, and sanitation. These areas are designed to be self-supporting and do not use general tax revenue.

**CLAIMS AND JUDGMENTS**—The amount of claims and judgments for which the City is liable for as of June 30, 2022. The City pays these incurred claims back to the City’s insurance carrier over five years at zero percent interest.

**COMPENSATED ABSENCES**—Under Generally Accepted Accounting Principles, the City is required to accrue employees’ earned time off for vacations and compensatory time. The amount accrued is the maximum amount the City would be liable for in the case of employee termination.

**DEFERRED INFLOW/OUTFLOW**—Is used to report the acquisition or consumption of net position applicable to future reporting periods.

**FIDUCIARY FUND**—Is used to report assets held in trust for others. These funds are not available to pay for governmental activities.

**FUND**—A self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations.

**GENERAL OBLIGATION BONDS (GO BONDS)**—A form of government debt that is backed by the full faith and credit of the government.

**GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA)**—An organization whose mission is to promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.

**GOVERNMENTAL ACTIVITIES**—Functions of the City that are funded primarily through taxes and intergovernmental revenues. User charges do not fund a significant amount of the functions.

**NET POSITION**—The difference between the City’s assets and liabilities. It is the net worth of the City.

**PRIMARY GOVERNMENT**—All of the governmental and business-type activities belonging to the City, excluding fiduciary funds.

### Have Any Questions, Comments, or Suggestions?

We know there is a lot here and much more we did not cover. If you have any questions or want to know more about the City’s financials, please feel free to contact us at (801) 446-HELP. You can also visit [www.sjc.utah.gov/238/Finance-Department/](http://www.sjc.utah.gov/238/Finance-Department/) to see the City’s Annual Comprehensive Financial Report, Budget Report, and other financial reports.

