

CITY OF WEST JORDAN
STATE OF UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2003

Prepared by:
Finance Department

CITY OF WEST JORDAN
 Comprehensive Annual Financial Report
 For the fiscal Year Ended June 30, 2003

TABLE OF CONTENTS

	Page <u>Number</u>
INTORDUCTORY SECTION	
Letter of Transmittal	3-7
GFOA Certificate of Achievement	8
Organization Chart	9
List of Principal Officials	10
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	13-14
Management's Discussion and Analysis	15-25
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet-Governmental Funds	30
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in fund Balances of Governmental funds to the Statement of Activities	32
Statement of Revenues, Expenditures, and Changes in Fund Balances-budget and Actual-General Fund	33
Statement of Net Assets-Proprietary Funds	34
Statement of Revenues, Expenses, and Changes in Fund Net Assets-Proprietary Funds	35
Statement of cash Flows-Proprietary Funds	36-37
Notes to the Basic Financial Statements	39-64
Combining and Individual Fund Financial Statements and Schedules	
Combining Financial Statements-Nonmajor Governmental Funds:	
Combining Balance-Sheet-Nonmajor Funds	66
Combining Statement of Revenues, Expenditures and changes in Fund Balances-Nonmajor Governmental Funds	67
Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual:	
Fund Balance-Budget and Actual:	
Western Stampede Fund	70
Fairway Estates Fund	71
Redevelopment Agency Fund	72
Capital Improvements Capital Projects Fund	73
Municipal building Authority Fund	74

Supplementary Individual Fund Financial Schedules – General Fund	
Schedule of Revenues, Expenditures, and Changes in Fund	
Balance-Budget and Actual-General Fund	76
Combining Financial Statements-Internal Service funds:	
Combining Statement of Net Assets-Internal Service Funds	78
Combining Statement of Revenues, Expenses and Changes in Net	
Assets-Internal Service Funds	79
Combining statement of Cash Flows-Internal Service Funds	80-81
STATISTICAL SECTION	
Fund Information:	
Table 1 – General Governmental Expenditures by Function	84
Table 2 – General Governmental Revenues by Source	84
Table 3 – General Governmental Tax Revenues by Source	85
Table 4 – Assessed and Estimated Actual Value of Taxable Property	85
Table 5 – Property Tax Levies and Collections	86
Table 6 – Property Tax Rates – Direct and Overlapping Governments	87
Table 7 – Principal Taxpayers	88
Table 8 – Sales Tax Revenue Bond Coverage	88
Table 9 – computation of Legal Debt Margin	88
Table 10 – Computation of Direct and Overlapping Bonded Debt	89
Table 11 – Revenue Bond Coverage – Water Fund	89
Table 12 – Demographic Statistics	90
Table 13 – Surety Bonds of Principal Officers	90
Table 14 – Property Value, Construction and Bank Deposits	91
Table 15 – Miscellaneous statistics	92
Table 16 – Schedule of Insurance in Force	93
Table 17 – Revenues for Class B and Class C Road Allocation	94

City of West Jordan
8000 South Redwood Road
West Jordan, UT 84088
(801) 569-5000
Fax (801) 569-5049

December 8, 2003

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of West Jordan for the fiscal year ended June 30, 2003.

This report consists of management's representations concerning the finances of the City of West Jordan. City management is responsible for the accuracy of the data and the completeness and reliability of all the information presented in this report. City management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

This year's comprehensive annual financial report reflects the implementation of Governmental Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State & Local Governments*. Consequently, for the first time the financial statements will include a Management Discussion & Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operation. Also included in this report for the first time are financial statements prepared using full accrual accounting for all the City's activities, including reporting and depreciating infrastructure assets. Finally, the fund financial statements have changed to focus on the major funds.

The City of West Jordan's financial statements have been audited by Osborne, Robbins & Buhler, PLLC, CPAs., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of West Jordan for the fiscal year ended June 30, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2003 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City was required to undergo a single audit in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133 "*Audits of States, Local Governments, and Non-Profit Organizations*". Information related to this single audit, including the opinion on the schedule of expenditures of federal awards, the auditor's reports on compliance and internal controls over financial reporting in accordance with Governmental Auditing Standards (GAS), and the auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, are available in a separate report.

GAAP require that management provide a narrative introduction, and analysis to accompany the basic financial statements in the form of the MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it.

Profile of the Government

The City of West Jordan was incorporated in 1941 and operates under the council manager form of government. The city council is composed of six council members who, along with the mayor, have policy-making and legislative authority. Each of the council members and the mayor serve four- year terms. The city council is responsible for passing ordinances, adopting the budget, appointing committees, and appointing division directors, city manager, and assistant city manager. The city manager is responsible for directing the day-to-day operations of the city and carrying out the ordinances and policies adopted by the council.

The City is located in the northern portion of the state. The City has experienced population growth of 24 percent over the course of the past five years. The City's economy continues to grow in residential construction, industrial construction, and retail sales. This trend of economic growth is expected to continue.

The City provides a full range of services. These services include police and fire protection; culinary water; sanitary sewer; solid waste and recycling pickup; construction and maintenance of highways, parks, and other infrastructure; recreation activities and cultural events. The City has established mission statements which clearly define key goals for the City. The mission statements are as follows.

General Government

Attorney: Provide clear, comprehensive, and well-grounded legal services to elected and appointed officials of the City.

City manager: Implement the policies of the City Council through the daily direction and coordination of City activities, foster a spirit of teamwork and customer service among City employees, recommend policy changes to the City Council and enforce all applicable laws and ordinances.

City recorder: Create, record and maintain official City documents and provide complete and accurate information in a timely, efficient and professional manner.

Finance: Enhance and promote the professional management of the City's financial resources by identifying, developing and advancing fiscal strategies, policies and practices for the benefit of the City.

Community Development

Create opportunities for economic and community prosperity and provide effective support for the planning and development needs of the City.

Fire

Provide professional and efficient services which mitigate fire, medical and other risks to life and property, while enhancing public awareness and education through inspections and other prevention programs for the City.

Police

Provide quality community oriented policing through a partnership with our citizens which creates a safe and secure environment for living and working in the City.

Public Works

Maintain infrastructure to provide uninterrupted services to the public, and ensure that new development and construction conforms to appropriate standards of quality.

The annual budget serves as the foundation for the City's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general and special revenue funds are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects fund. However, in order to comply with state law, they are shown as an annual budget, such as with other governmental funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund. The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end but generally are reappropriated as part of the following year's budget.

Factors Affecting Financial Condition

The City continues to meet its responsibility for sound financial management, as demonstrated by the statements and schedules included in the financial section of this report. City council, city manager and directors meet annually for a strategic planning session. The purpose of the strategic planning session is to establish the City's priorities for the coming year and how those priorities can best be accomplished.

Local economy. Jordan Landing, the third largest retail development in the state of Utah, is located in the City of West Jordan. The City provides a very favorable environment for commercial development. In the coming year Jordan Landing, through the addition of new stores, is expected to become the largest retail development in the state of Utah.

In order to meet the utility service needs of new residential and commercial development, the City devoted approximately ten million dollars of water fund resources to adding water system improvements. These additions will ensure the public uninterrupted services that conform to the appropriate standards of quality.

In the coming year the City plans to complete construction on two new fire stations. One fire station is located next to City Hall and the other fire station is located in the western part of the City in an area of new development. These two new fire stations will allow the City to provide excellent services for fire mitigation as well as emergency medical response in accordance with the mission statement for the fire protection function. Both new fire stations are being constructed without the issuance of any new debt. The City sold an outdated fire station for \$450,000 and used the proceeds for the new construction. Also, the City was advanced \$250,000 from a developer with the expectation that the advance would be paid back with fire impact fee revenue in a year's time. The City also completed construction of an animal control facility during the fiscal year. The animal control facility was also completed without the issuance of any new debt.

Long-term financial planning. The City hopes to further develop and improve the main city park. The city council will continue to explore the possibilities for improvements in the main city park but some of the existing concepts for improvement include a skateboard park, a circular road that will encompass the park, landscaping continuing to the northern end of the park, and the relocation of the rodeo arena. The City is currently researching the possibility of issuing general obligation debt to fund the park improvements. The bond election for the approval of this general obligation debt is tentatively scheduled for June 2004.

The City is also planning the construction of a 48,000 square foot police and court building. The police department has outgrown its space provided within the City Hall and the City has established an ideal location for the police and court building to the south of City Hall. General obligation debt may also be issued to fund this construction project. The City had no general obligation bonds outstanding at June 30, 2003.

Cash management. Cash during the year was invested in the Public Treasurer's Investment Fund, statement savings, and repurchase agreements. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City's investments are un-collateralized and insured only up to \$200,000 per institution by the FDIC. Utah operates under state statute allowing investments to be un-collateralized if state guidelines are followed.

Risk Management. The City is self-insured for unemployment. The City is also self-insured to \$15,000 for general liability, automobile liability and errors and omissions. The City is a member of Utah Risk Management Mutual Association (URMMA) which provides general liability, automobile liability and errors and omissions coverage for claims in excess of the self-insured amount. The Risk Management Fund also pays insurance premiums for losses not covered by its self-insurance or URMMA.

Post-employment Benefits. The City pays out unused vacation, holiday, and 25% of the current-year sick leave balances at termination. The City provides postretirement health and dental benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 10 employees receiving these benefits, which are financed on a pay-as-you go basis. Retired employees may elect to apply their remaining unused sick leave toward the monthly health insurance premium at a rate ranging from 40 percent to 70 percent depending on years of service. In order to qualify, the employee is required to notify his/her department head at least one year in advance of retirement. GAAP do not require governments to report a liability in the financial statement in connection with an employer's obligation to provide these benefits.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2002. This was the twenty second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2003. In order to qualify for the Distinguished Budget presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, the leadership and support of the governing body of the City has been an important factor in the preparation of this report.

Sincerely,

Gary Luebbers
City Manager

David Zobell
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Jordan,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



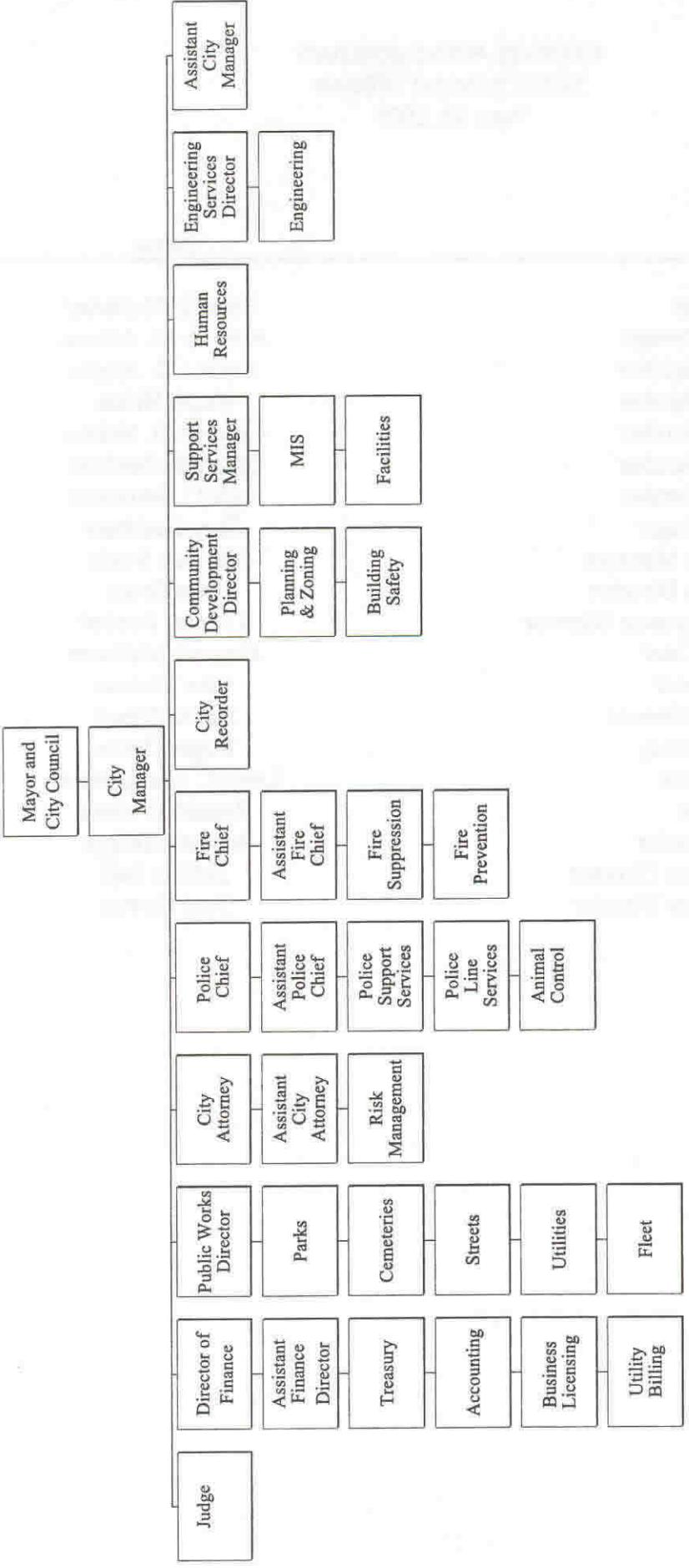
A handwritten signature in black ink, reading "William Patrick Pate".

President

A handwritten signature in black ink, reading "Jeffrey R. Enos".

Executive Director

City of West Jordan Organizational Structure



CITY OF WEST JORDAN

List of Principal Officials

June 30, 2003

Title	Name
Mayor	Bryan D.Holladay
Council Member	Andrew M. Allison
Council Member	Natalie G. Argyle
Council Member	Kathy Hilton
Council Member	Carolyn G. Nelson
Council Member	Stuart Richardson
Council Member	Lyle C. Summers
City Manager	Gary Luebbers
Assistant City Manager	Thomas Steele
Public Works Director	Don Bruey
Community Development Director	Thomas Burdett
Police Chief	Kenneth McGuire
Fire Chief	Jake Nielson
Director of Finance	David Zobell
City Attorney	Roger Cutler
Treasurer	Larry C. Montgomery
Judge	Ronald E. Kunz
City Recorder	Melanie Briggs
Human Resource Director	Debbie Bell
Support Services Director	Paul Coates

FINANCIAL SECTION

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Jordan, Utah (the City) as of and for the year ended June 30, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Jordan, Utah as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

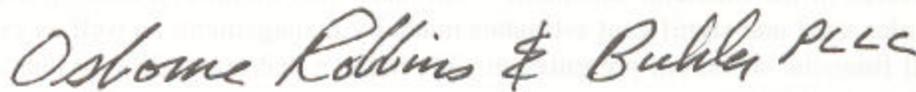
As described in Note A, the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements - and*

Management's Discussion and Analysis - for State and Local Governments, as of June 30, 2003. The City also adopted GASB Statements Nos. 37 and 38 and Interpretation 6 as of and for the year ended June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2003 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 15 through 25 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of West Jordan, Utah basic financial statements. The introductory section, combining, and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Osborne Robbins & Buhler PLLC". The signature is written in dark ink on a light-colored background.

November 20, 2003

Management's Discussion and Analysis

As management of the City of West Jordan (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. This discussion will contain comparative analysis in future years when prior year information is available.

Financial Highlights

- The assets of the City of West Jordan exceeded its liabilities at the close of the most recent fiscal year by \$ 368,405,149. Of this amount, \$58,609,258 (*unrestricted net assets*) may be used to meet the government's ongoing obligation to citizens and creditors.
- The government's total net assets increased by \$39,053,438 during 2003. Approximately 80 percent of this increase is due to contributions of infrastructure from developers.
- The unreserved fund balance for the general fund was \$5,994,981, or approximately 20 percent of total general fund expenditures. The unreserved fund balance for the general fund decreased by \$390,115 from the previous year.
- The City's total outstanding debt experienced a net increase of \$7,539,301. The increase was primarily due to the issuance of a \$10,500,000 water program revenue bond.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of West Jordan's basic financial statements. The City of West Jordan's basic financial statements comprise 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 themselves.

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

The *statement of net assets* presents information on all of the City of West Jordan's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of West Jordan is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of West Jordan that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to cover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of West Jordan include general government, community development, police, fire, public works, and parks and recreation. The business-type activities of the City of West Jordan include water, sewer, and solid waste.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also two legally separate entities, the Redevelopment Agency and the Municipal Building Authority, for which the City is financially accountable. Financial information for these *component units* is blended with the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 28-29 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 of West Jordan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City of West Jordan can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. 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 the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital improvements fund which are considered major funds. Financial information for the other four funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 30-33 of this report. The City adopts an

annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City of West Jordan maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three individual enterprise funds. Information is presented separately in the proprietary statement of net assets and the proprietary statement of revenues, expense and changes in fund net assets for the Water and Sewer funds, which are considered major funds. The only remaining fund, the Solid Waste fund is a nonmajor fund. Because the Solid Waste fund is the only nonmajor enterprise fund maintained by the City, its information is in effect presented individually in the previously mentioned statements. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City of West Jordan uses internal service funds to account for its fleet maintenance and risk management activities. Because these services predominantly benefit governmental rather than business-type activities, they have been included principally within the governmental activities in the government-wide financial statements but are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report. The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Notes to the financial statements. The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-64 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The combining statements referred to earlier in connection with nonmajor funds and internal service funds are presented as supplementary information. Also included are budget to actual comparisons for the special revenue funds and the capital projects funds.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At June 30, 2003, the City's assets exceeded liabilities by \$368,405,149. By far the largest portion (82 percent) of the City's net assets are composed of capital assets, less any debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets are reported net of any related outstanding 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.

City of West Jordan's Net Assets

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 45,218,608	\$ 27,097,397	\$ 72,316,005
Capital assets	264,069,782	79,787,844	343,857,626
Total assets	<u>309,288,390</u>	<u>106,885,241</u>	<u>416,173,631</u>
Other liabilities	4,511,695	1,463,229	5,974,924
Long-term liabilities outstanding	<u>31,410,215</u>	<u>10,383,343</u>	<u>41,793,558</u>
Total liabilities	<u>35,921,910</u>	<u>11,846,572</u>	<u>47,768,482</u>
Net assets:			
Invested in capital assets, net			
of related debt	234,412,518	69,287,844	303,700,362
Restricted	5,695,208	400,321	6,095,529
Unrestricted	<u>33,258,754</u>	<u>25,350,504</u>	<u>58,609,258</u>
Total net assets	<u>\$ 273,366,480</u>	<u>\$ 95,038,669</u>	<u>\$ 368,405,149</u>

An additional portion of the net assets (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$58,609,258) is available to meet the government's ongoing obligations to citizens and creditors.

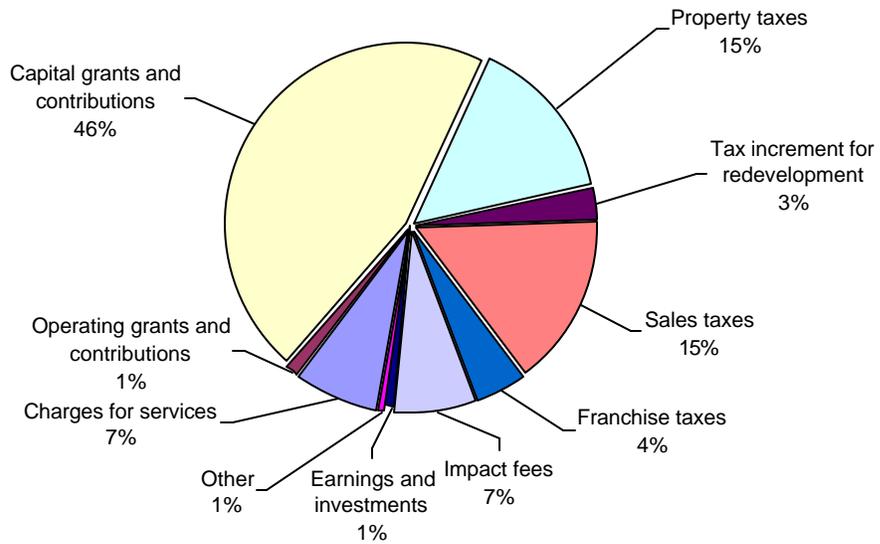
Governmental activities. Governmental activities increased the City's net assets by \$32,075,358 accounting for 82 percent of the total growth in net assets. Key elements of this increase are as follows:

- Capital grants and contributions totaled \$30,819,544 mostly consisting of donated capital assets. As new subdivisions are completed, sidewalk, storm sewer, and roads become the property of the City to maintain. The City also received a \$570,500 grant from the EPA to improve an environmentally damaged area.
- Impact fees increased by \$2,909,024 over the previous year. While the impact fee rates for the most part stayed the same, the number developments upon which fees were charged increased dramatically. Road impact fees and storm sewer impact fees are paid at the time the development is approved but prior to any building permits being issued. These two fees reflected the greatest increase in collections during the year. As expected, building permits, which follow later in the sequence of development, were at an all time high for the beginning quarter of fiscal year 2004.

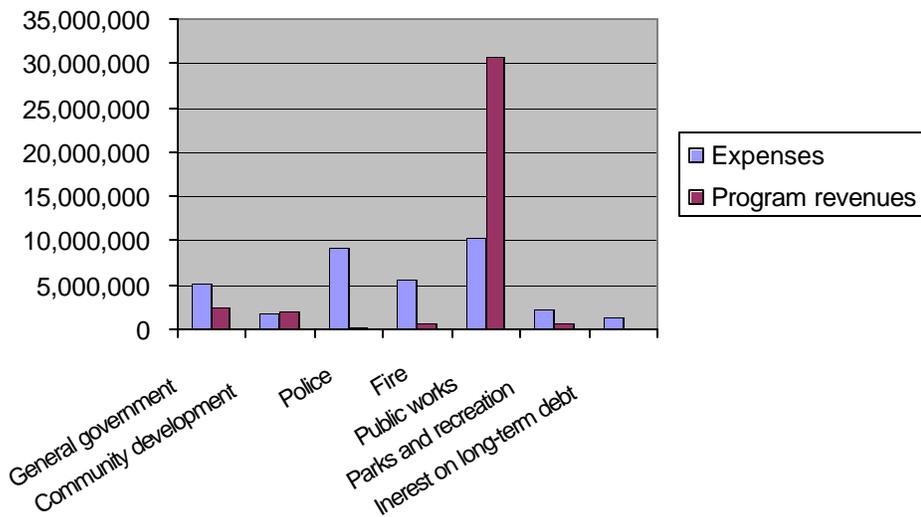
City of West Jordan's Changes in Net Assets

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Revenues:			
Program revenues:			
Charges for services	\$ 5,023,079	\$ 14,663,517	\$ 19,686,596
Operating grants and Contributions	900,802	-	900,802
Capital grants and Contributions	30,819,544	4,188,463	35,008,007
General revenues:			
Property taxes	9,014,489	-	9,014,489
Other taxes	16,198,232	-	16,198,232
Other	5,888,464	2,896,411	8,784,875
Total revenues	<u>67,844,610</u>	<u>21,748,391</u>	<u>89,593,001</u>
Expenses:			
General government	5,114,827	-	5,114,827
Community development	1,851,575	-	1,851,575
Police	9,100,682	-	9,100,682
Fire	5,629,061	-	5,629,061
Public works	10,211,767	-	10,211,767
Parks and recreation	2,207,450	-	2,207,450
Interest on long-term debt	1,353,890	-	1,353,890
Water	-	8,199,704	8,199,704
Sewer	-	4,645,292	4,645,292
Solid waste	-	2,225,315	2,225,315
Total expenses	<u>35,469,252</u>	<u>15,070,311</u>	<u>50,539,563</u>
Increase in net assets before transfers	32,375,358	6,678,080	39,053,438
Transfers	(300,000)	300,000	-
Increase in net assets	32,075,358	6,978,080	39,053,438
Net assets July 1, 2002	<u>241,291,122</u>	<u>88,060,589</u>	<u>329,351,711</u>
Net assets June 30, 2003	<u>\$ 273,366,480</u>	<u>\$ 95,038,669</u>	<u>\$ 368,405,149</u>

Revenues by Source-Governmental Activities

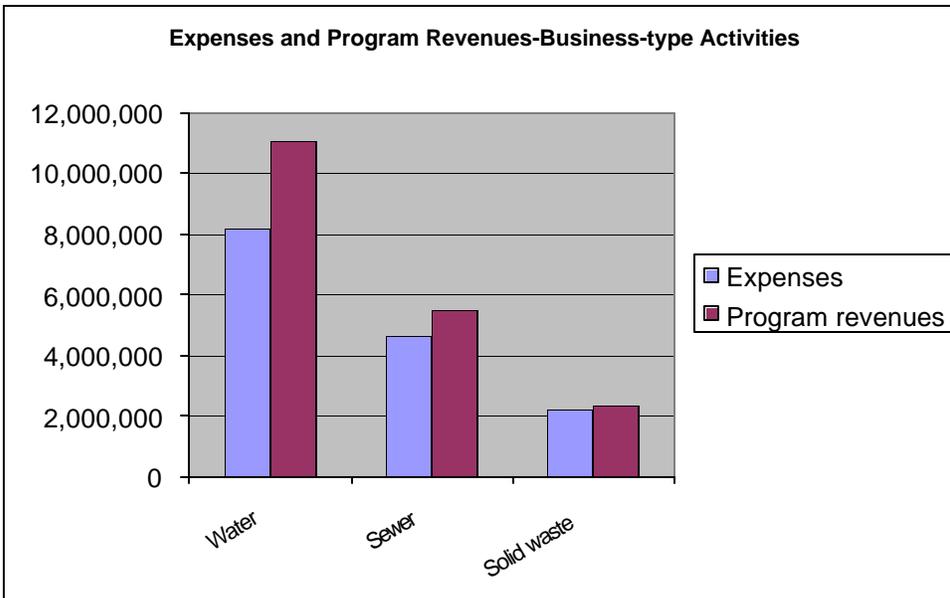
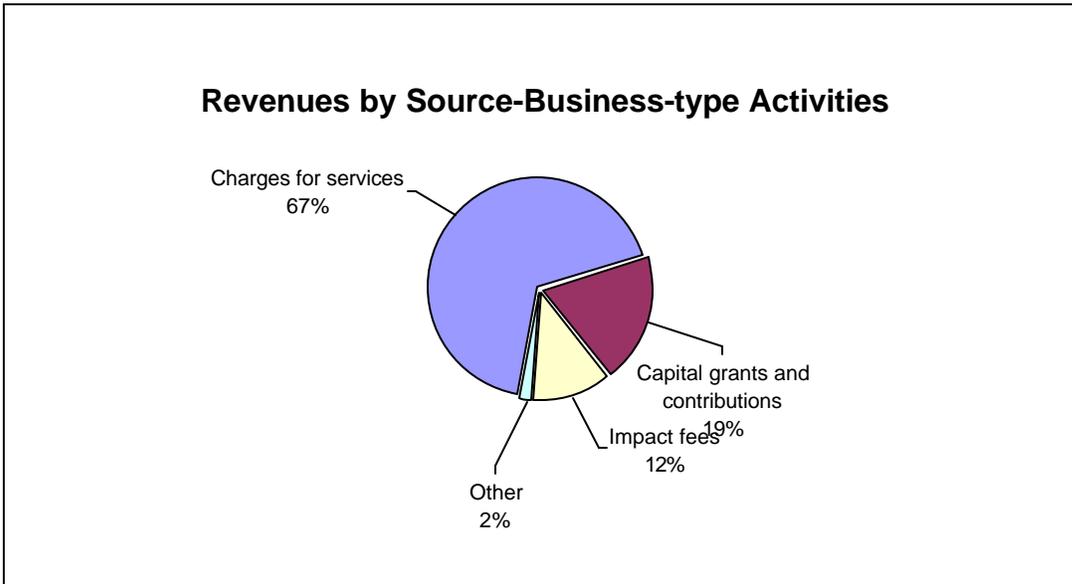


Expenses and Program Revenues-Governmental Activities



Business-type activities. Business-type activities increased the City's net assets by \$6,978,080 accounting for 18 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

- The City's business-type activities received \$4,188,463 of capital grants and contributions. These contributions represent capital assets donated to the City by developers.
- Charges for services in the business-type activities increased by \$2,458,962 over 2002. This increase is due primarily to an increase in the water rates as of July 1, 2002. The increase is partially attributable to an increase in residents using the utilities as a result of new construction.
- Impact fees collected by the Water and Sewer fund increased by \$406,742 over 2002. These are fees paid by builders to use in the City's utility systems.



Financial Analysis of the Government's Funds

As noted earlier, the City of West Jordan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of West Jordan's governmental funds 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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$25,707,448 an increase of \$1,621,172 in comparison with prior year. Of the ending fund balance 43 percent (\$10,960,629) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$1,250,769), 2) to pay for construction funded by bond proceeds (\$7,704,339), 3) to fund the construction and improvement of class "C" roads (\$3,867,899), 4) to pay for capital expansion funded by impact fees (\$1,827,308), 5) for a variety of other purposes (\$96,504).

The general fund is the chief operating fund of the City of West Jordan. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5,994,981, while total fund balance reached \$10,333,532. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 21 percent of total general fund expenditures, while total fund balance represents 36 percent of that same amount.

The City's total general fund balance experienced a \$485,287 increase during the current fiscal year. The increase is attributable in part to class "C" road funds that have been received by the City but remain unspent. Reserved fund balance for class "C" roads increased by \$1,034,566 from the previous year. Unreserved fund balance decreased by \$390,115 from the previous year.

The capital improvements fund has a total fund balance of \$12,290,902, of that amount \$9,531,647 is reserved for 1) construction funded by bond proceeds (\$7,704,339), 2) capital expansion funded by impact fees (\$1,827,308). The capital improvements fund unreserved fund balance increased \$5,815,846 from the previous year. In preceding years the City had spend funds not related to impact fees on projects that qualified for the use of impact fees. As impact fee revenue increased in the current year, the City applied those fees to projects paid for in previous years.

Proprietary funds. The City of West Jordan's proprietary funds provide the same type of information found in the government-wide financial statements business-type activities, but in more detail.

Unrestricted net assets of the Water, Sewer, and Solid Waste funds at the end of the year were \$7,882,480, \$12,781,942, and \$4,686,083 respectively. In previous years the Water

and Sewer funds were combined in one fund. Beginning in fiscal year 2003 the utilities were separated into two separate funds. Assets in the amount of \$35,223,099 were transferred from the Water fund to the Sewer fund. Because this is the first year the two utilities have operated in separate funds, comparative information from the previous year is unavailable. The total growth in net assets for the Solid Waste fund was \$413,740. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of West Jordan's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$1,536,209 increase in appropriations) and can be briefly summarized as follows.

- \$1,223,959 in increases allocated to public works, \$1,178,344 for class "C" road projects and \$45,615 to hire a new position to manage City construction projects.
- \$307,995 in increases allocated to general government, \$267,300 to fund a new software program to be implemented by the community development and public works functions and \$40,695 for other miscellaneous items.
- \$4,255 in increases allocated to community development.

Of this increase, \$49,000 was to be funded out of miscellaneous increases in revenues and the remaining \$1,490,209 was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates, reserved fund balance was not reduced and unreserved fund balance was reduced by only \$390,115.

Capital Assets and Debt Administration

Capital assets. The City of West Jordan's investment in capital assets for its governmental and business type activities as of June 30, 2003 amounts to \$343,857,626 (net of accumulated depreciation). This investment in capital assets includes land, construction in process, machinery and equipment, computer equipment, building, building improvements, improvements other than buildings, and infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was 12 percent (a 10 percent increase for governmental activities and a 2 percent increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Infrastructure and land was donated to the City by developers and became the City's responsibility to maintain. The estimated fair value of the infrastructure and land donated was \$27,497,039. Class "C" road funds are classified as capital grants and contributions but not all the funds received had been expended on capital projects at year end.
- The City spent \$4,629,343 on capital expansion throughout the City. Two new fire stations were in process and the City had completed work on a new animal shelter at year end. In addition, the City completed various parks and storm sewer projects.
- The City has open construction projects at year end. The uncompleted balance remaining on the open contracts was approximately \$6,000,000.

Additional information on the City's capital assets can be found in Note 4 of the basic financial statements.

Long-term debt. At the end of the current fiscal year, the City had \$42,011,740 in outstanding long-term debt.

City of West Jordan's Outstanding Debt

	Governmental Activities	Business-type Activities	Total
	2003	2003	2003
Revenue bonds	\$ 24,625,000	\$ 10,500,000	\$ 35,125,000
Tax increment notes payable to developers	2,677,333	-	2,677,333
Other liabilities	3,707,951	101,525	3,809,476
Capital leases	399,931	-	399,931
 Total	<u>\$ 31,410,215</u>	<u>\$ 10,601,525</u>	<u>\$42,011,740</u>

The City's total debt (including compensated absences and other long-term liabilities) increased by \$7,539,301 during the current fiscal year mostly attributable to a new water program revenue bond issued in the amount of \$10,500,000 to finance the expansion of the City's water system. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

The City's bond rating is Aaa for its lease revenue bonds and its sales tax bonds. The City has no general obligation bonds outstanding at June 30, 2003. The Utah Constitution limits general obligation debt to four percent of the market value of real property. Considering present market value, the City's debt limit is \$182,904,702.

Economic Factors and the Next Year's Budgets and Rates

As part of the budget process each year the City performs an evaluation to project future revenues for the coming fiscal year. A major aspect of this evaluation is projecting property tax and sales tax revenues. Property tax revenue has remained relatively even when compared to the previous year. Sales tax revenue for fiscal year 2003 was relatively flat. For fiscal year 2004 the City will collect sales tax revenue from a new Sears store opened September 2003 and located in the Jordan Landing regional retail center. Additional retail establishments such as Kohl's Department Stores and Gus Paulos car lots will open during 2004 in the Jordan Landing center. Total taxes within the general fund were budgeted to increase \$1,462,079 for fiscal year 2004. New construction within the City is at an all time high. Building permit revenue for the first half of fiscal year 2004 is three times the total building permit revenue for fiscal year 2003. Although revenues continue to increase, the demand and cost of providing services to citizens increases accordingly. Consequently, the City budgeted to spend \$1,003,045 from unreserved general fund balance during fiscal year 2004.

The water rates increased minimally at July 1, 2003. The base rate did not change but the rate charged per thousand gallons increased approximately 2 percent. The monthly fee

for garbage and recycling increased approximately 23 percent for the average resident at December 1, 2003. Green waste recycling is a new service will be added beginning in April 2004.

Requests for Information

The financial report is designed to provide a general overview of the City of West Jordan's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 8000 South Redwood Road, West Jordan, Utah, 84088.

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BASIC FINANCIAL STATEMENTS

CITY OF WEST JORDAN
Statement of Net Assets
June 30, 2003

	Governmental Activities	Business-type Activities	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 19,728,012	\$ 2,899,121	\$ 22,627,133
Accounts receivable	56,724	1,842,462	1,899,186
Taxes receivable	11,686,852	-	11,686,852
Other receivable	38,613	-	38,613
Internal balances	(2,001,500)	2,001,500	-
Intergovernmental receivable	456,058	-	456,058
Prepaid expenditure	85,674	-	85,674
Inventory	66,611	431,433	498,044
Water stock	-	278,437	278,437
Investment in joint ventures	-	14,733,381	14,733,381
Restricted assets:			
Cash and cash equivalents	15,101,564	4,911,063	20,012,627
Capital assets not being depreciated	114,220,191	437,901	114,658,092
Capital assets being depreciated (net of accumulated depreciation)	149,849,591	79,349,943	229,199,534
 Total assets	 <u>309,288,390</u>	 <u>106,885,241</u>	 <u>416,173,631</u>
 <u>Liabilities</u>			
Accounts payable	1,806,125	1,336,481	3,142,606
Interest payable	229,391	-	229,391
Payroll payable	894,093	87,797	981,890
Deferred revenue	33,428	-	33,428
Advances from developer	250,000	-	250,000
Deposits	821,679	38,951	860,630
Other payables	476,979	-	476,979
Long-term liabilities:			
Portion due or payable within one year			
Compensated absences	757,706	58,945	816,651
Bonds payable	2,430,000	900,000	3,330,000
Capital leases	156,743	-	156,743
Contracts payable	75,000	-	75,000
Tax increment notes payable to developer	251,500	-	251,500
Portion due or payable after one year			
Compensated absences	995,245	42,580	1,037,825
Bonds payable	22,195,000	9,600,000	31,795,000
Unamortized bond issuance costs	-	(218,182)	(218,182)
Capital leases	243,188	-	243,188
Contracts payable	1,880,000	-	1,880,000
Tax increment notes payable to developer	2,425,833	-	2,425,833
 Total liabilities	 <u>35,921,910</u>	 <u>11,846,572</u>	 <u>47,768,482</u>
 <u>Net Assets</u>			
Invested in capital assets, net of related debt	234,412,518	69,287,844	303,700,362
Restricted for:			
Class "C" roads	3,867,899	-	3,867,899
Construction	-	400,321	400,321
Parks projects	134,638	-	134,638
Road projects	780,878	-	780,878
Fire projects	911,793	-	911,793
Unrestricted	33,258,754	25,350,504	58,609,258
 Total net assets	 <u>\$ 273,366,480</u>	 <u>\$ 95,038,669</u>	 <u>\$ 368,405,149</u>

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

CITY OF WEST JORDAN
Statement of Activities
For the fiscal year ended June 30, 2003

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 5,114,827	\$ 1,692,327	\$ 747,203	\$ -	\$ (2,675,297)	\$ -	\$ (2,675,297)
Community development	1,851,575	2,022,160	-	-	170,585	-	170,585
Police	9,100,682	91,109	122,974	-	(8,886,599)	-	(8,886,599)
Fire	5,629,061	556,080	30,625	-	(5,042,356)	-	(5,042,356)
Public works	10,211,767	455,769	-	30,248,344	20,492,346	-	20,492,346
Parks and recreation	2,207,450	205,634	-	571,200	(1,430,616)	-	(1,430,616)
Interest on long-term debt	1,353,890	-	-	-	(1,353,890)	-	(1,353,890)
Total governmental activities	<u>35,469,252</u>	<u>5,023,079</u>	<u>900,802</u>	<u>30,819,544</u>	<u>1,274,173</u>	<u>-</u>	<u>1,274,173</u>
Business-type activities:							
Water	8,199,704	8,268,126	-	2,755,568	-	2,823,990	2,823,990
Sewer	4,645,292	4,045,415	-	1,432,895	-	833,018	833,018
Solid waste	2,225,315	2,349,976	-	-	-	124,661	124,661
Total business-type activities:	<u>15,070,311</u>	<u>14,663,517</u>	<u>-</u>	<u>4,188,463</u>	<u>-</u>	<u>3,781,669</u>	<u>3,781,669</u>
Total City of West Jordan	<u>\$ 50,539,563</u>	<u>\$ 19,686,596</u>	<u>\$ 900,802</u>	<u>\$ 35,008,007</u>	<u>\$ 1,274,173</u>	<u>\$ 3,781,669</u>	<u>\$ 5,055,842</u>
General revenues:							
Taxes:							
Property taxes					9,014,489	-	9,014,489
Tax increments for redevelopment agency					1,927,527	-	1,927,527
Sales taxes					10,422,430	-	10,422,430
Franchise taxes					2,910,135	-	2,910,135
Fee-in-lieu of property taxes					938,140	-	938,140
Equity income from joint ventures					-	261,507	261,507
Impact fees					4,893,627	2,522,059	7,415,686
Gain on sale of capital assets					201,475	-	201,475
Earnings on investments					588,437	112,845	701,282
Miscellaneous					204,925	-	204,925
Transfers					(300,000)	300,000	-
Total general revenues and transfers					<u>30,801,185</u>	<u>3,196,411</u>	<u>33,997,596</u>
Changes in net assets					<u>32,075,358</u>	<u>6,978,080</u>	<u>39,053,438</u>
Net assets-beginning					<u>241,291,122</u>	<u>88,060,589</u>	<u>329,351,711</u>
Net assets-ending					<u>\$ 273,366,480</u>	<u>\$ 95,038,669</u>	<u>\$ 368,405,149</u>

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

CITY OF WEST JORDAN
Balance Sheet
Governmental Funds
June 30, 2003

	General	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,790,965	\$ 5,050,635	\$ 2,297,301	\$ 13,138,901
Accounts receivable	56,724	-	-	56,724
Taxes receivable	9,323,648	458,086	1,905,118	11,686,852
Other receivable	38,613	-	-	38,613
Prepaid expenditures	-	-	85,674	85,674
Inventory	10,830	-	-	10,830
Due from other funds	30,095	-	-	30,095
Due from other governments	-	456,058	-	456,058
Restricted assets-				
Cash and cash equivalents	4,778,647	9,531,647	791,270	15,101,564
Total assets	20,029,522	15,496,426	5,079,363	40,605,311
Liabilities and fund balance				
Liabilities:				
Accounts payable	899,990	804,677	27,826	1,732,493
Advances from developer	-	250,000	-	250,000
Payroll payable	870,128	2,219	-	872,347
Deferred revenue	6,976,736	143,528	1,938,428	9,058,692
Deposits	821,679	-	-	821,679
Other payables	127,457	3,600	-	131,057
Due to other funds	-	2,001,500	30,095	2,031,595
Total liabilities	9,695,990	3,205,524	1,996,349	14,897,863
Fund balance:				
Reserved:				
For inventory	10,830	-	-	10,830
For class "C" roads	3,867,899	-	-	3,867,899
For debt service	459,822	-	790,947	1,250,769
For construction	-	7,704,339	-	7,704,339
For park impact	-	134,637	-	134,637
For road impact	-	780,878	-	780,878
For fire impact	-	911,793	-	911,793
For prepaid expenditures	-	-	85,674	85,674
Unreserved	5,994,981	2,759,255	-	8,754,236
Unreserved, reported in nonmajor:				
Capital projects funds	-	-	750,063	750,063
Special revenue funds	-	-	1,456,330	1,456,330
Total fund balances	10,333,532	12,290,902	3,083,014	25,707,448
Total liabilities and fund balances	\$ 20,029,522	\$ 15,496,426	\$ 5,079,363	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	264,069,782
Certain revenue is deferred in the governmental funds but is not in the statement of net assets because it qualifies for recognition under the economic resources measurement focus.	9,025,264
Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds. The current assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	6,203,592
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(31,410,215)
Interest payable on long-term obligations does not require current financial resources and is not reported in the governmental funds	(229,391)
Net assets of governmental activities	\$ 273,366,480

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

CITY OF WEST JORDAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2003

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 19,259,682	\$ 1,772,822	\$ 1,934,547	\$ 22,967,051
Licenses and permits	1,923,378	-	-	1,923,378
Intergovernmental	2,896,872	1,182,907	-	4,079,779
Charges for services	3,086,009	-	109,158	3,195,167
Fines and forfeitures	1,442,294	-	-	1,442,294
Impact fees	-	4,893,627	-	4,893,627
Interest	183,415	254,583	54,386	492,384
Donations	-	75,000	-	75,000
Miscellaneous	129,925	-	-	129,925
Total revenues	<u>28,921,575</u>	<u>8,178,939</u>	<u>2,098,091</u>	<u>39,198,605</u>
Expenditures				
Current:				
General government	5,903,391	-	-	5,903,391
Community Development	1,326,179	435,646	16,373	1,778,198
Police	8,962,448	-	-	8,962,448
Fire	5,514,809	-	-	5,514,809
Public works	4,818,071	270,460	-	5,088,531
Parks, recreation, and public property	1,490,855	-	173,401	1,664,256
Debt service:				
Principal payments	400,000	1,305,000	846,327	2,551,327
Interest and fiscal charges	169,763	739,955	370,479	1,280,197
Capital lease payment-principal	123,122	-	-	123,122
Capital lease payment-interest	17,306	-	-	17,306
Capital outlay:				
Roads	-	770,519	-	770,519
Parks	-	741,261	-	741,261
Storm sewer	-	2,457,348	-	2,457,348
Buildings	-	660,215	-	660,215
Total expenditures	<u>28,725,944</u>	<u>7,380,404</u>	<u>1,406,580</u>	<u>37,512,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>195,631</u>	<u>798,535</u>	<u>691,511</u>	<u>1,685,677</u>
Other financing sources (uses):				
Transfers in	1,168,379	204,378	731,215	2,103,972
Transfers out	(878,723)	(60,049)	(1,352,403)	(2,291,175)
Sale of land	-	122,698	-	122,698
Total other financing sources (uses)	<u>289,656</u>	<u>267,027</u>	<u>(621,188)</u>	<u>(64,505)</u>
Net change in fund balance	485,287	1,065,562	70,323	1,621,172
Fund balance, beginning	9,848,245	11,225,340	3,012,691	24,086,276
Fund balances, ending	<u>\$ 10,333,532</u>	<u>\$ 12,290,902</u>	<u>\$ 3,083,014</u>	<u>\$ 25,707,448</u>

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

City of West Jordan
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balance of Governmental Funds
to the Statement of Activities
For the year Ended June 30, 2003

Net change in fund balance-total governmental funds	\$	1,621,172
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated use lives and reported as depreciation expense. This is the amount by which depreciation (\$6,701,659) exceeded capital outlays (\$5,131,858) in the current period.		(1,569,801)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Repayments:		
For principal	<u>2,674,449</u>	
Net adjustment		2,674,449
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Property tax accrual	2,245,670	
CDBG deferred revenue	143,528	
Capital grants	<u>27,497,039</u>	
Net adjustment		29,886,237
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.		
Accrued interest expense	(54,489)	
Compensated absences	(673,347)	
Loss on disposal of capital assets	<u>(28,608)</u>	
Net adjustment		(756,444)
Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds.		<u>219,745</u>
Change in net assets of governmental activities	\$	<u><u>32,075,358</u></u>

CITY OF WEST JORDAN
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
Revenues:				
Taxes	\$ 20,538,620	\$ 20,538,620	\$ 19,259,682	\$ (1,278,938)
Licenses and permits	1,540,139	1,540,139	1,923,378	383,239
Intergovernmental	2,873,933	2,889,933	2,896,872	6,939
Charges for services	3,108,182	3,138,182	3,086,009	(52,173)
Fines and forfeitures	1,350,000	1,350,000	1,442,294	92,294
Interest income	129,000	129,000	183,415	54,415
Miscellaneous	99,600	102,600	129,925	27,325
Total revenues	29,639,474	29,688,474	28,921,575	(766,899)
Expenditures:				
General government:				
Mayor & city council	189,050	189,050	184,550	4,500
Boards & commissions	106,680	125,680	115,866	9,814
Court	581,010	581,010	545,631	35,379
City manager	301,976	301,976	302,093	(117)
Administrative services	284,384	284,384	284,030	354
Management information systems	844,753	1,112,053	1,014,843	97,210
Facilities	777,710	777,710	750,796	26,914
Human resources	272,473	272,473	237,319	35,154
Accounting	634,736	649,136	619,950	29,186
Treasury	227,868	227,868	226,362	1,506
Recorder	206,331	217,831	215,509	2,322
Election	11,500	-	-	-
Attorney	518,924	526,219	732,203	(205,984)
Nondepartmental	917,050	917,050	674,239	242,811
Total general government	5,874,445	6,182,440	5,903,391	279,049
Community development:				
Planning & zoning	613,329	617,584	562,169	55,415
Economic development	125,976	125,976	118,424	7,552
Building safety	659,719	659,719	645,586	14,133
Total community development	1,399,024	1,403,279	1,326,179	77,100
Police:				
Support services	2,344,009	2,279,542	2,119,257	160,285
Line services	6,734,395	6,798,862	6,621,607	177,255
Animal control	281,130	281,130	221,584	59,546
Total police	9,359,534	9,359,534	8,962,448	397,086
Fire				
	5,661,650	5,661,650	5,514,809	146,841
Public works:				
Public works administration	409,586	412,783	407,999	4,784
Engineering	698,311	740,729	742,208	(1,479)
Streets	2,025,304	2,025,304	1,892,048	133,256
C road projects	2,769,110	3,947,454	1,775,816	2,171,638
Total public works	5,902,311	7,126,270	4,818,071	2,308,199
Parks and recreation:				
Parks	1,621,156	1,621,156	1,395,570	225,586
Cemeteries	96,540	96,540	95,285	1,255
Total parks and recreation	1,717,696	1,717,696	1,490,855	226,841
Debt service:				
Principal	400,000	400,000	400,000	-
Interest	170,000	170,000	169,763	237
Capital lease payments - principal	123,122	123,122	123,122	-
Capital lease payments - interest	17,306	17,306	17,306	-
Total debt service	710,428	710,428	710,191	237
Total expenditures	30,625,088	32,161,297	28,725,944	3,435,353
Excess of revenues over expenditures	(985,614)	(2,472,823)	195,631	2,668,454
Other financing sources (uses):				
Transfers in	778,585	778,585	1,168,379	389,794
Transfers out	(731,215)	(731,215)	(878,723)	(147,508)
Total other financing sources (uses):	47,370	47,370	289,656	242,286
Net change in fund balance	(938,244)	(2,425,453)	485,287	2,910,740
Fund balance-beginning	9,848,245	9,848,245	9,848,245	-
Fund balance-ending	\$ 8,910,001	\$ 7,422,792	\$ 10,333,532	\$ 2,910,740

CITY OF WEST JORDAN
Statement of Net Assets
Proprietary Funds
June 30, 2003

	Business-type Activities-Enterprise Funds					Governmental Activities- Internal Service Funds
	Water	Sewer	Other Nonmajor Business-type Fund (Solid Waste Fund)	Total Business- type Funds		
Assets						
Current assets:						
Cash and cash equivalents	\$ 572,884	\$ 611,557	\$ 1,714,680	\$ 2,899,121	\$ 6,589,111	
Receivables (net of allowance for uncollectables):						
Accounts	593,578	345,867	283,574	1,223,019	-	
Interest	-	-	-	-	-	
Unbilled	392,694	134,514	92,235	619,443	-	
Due from other funds	2,001,500	-	-	2,001,500	-	
Inventory	431,433	-	-	431,433	55,781	
Total current assets	<u>3,992,089</u>	<u>1,091,938</u>	<u>2,090,489</u>	<u>7,174,516</u>	<u>6,644,892</u>	
Noncurrent assets:						
Restricted cash and cash equivalents	4,510,742	400,321	-	4,911,063	-	
Investment in joint ventures	-	11,943,747	2,789,634	14,733,381	-	
Water stock	278,437	-	-	278,437	-	
Capital assets not being depreciated	437,901	-	-	437,901	-	
Capital assets being depreciated (net of accumulated depreciation)	55,240,391	24,085,072	24,480	79,349,943	2,415,206	
Total capital assets (net of accumulated depreciation)	<u>55,678,292</u>	<u>24,085,072</u>	<u>24,480</u>	<u>79,787,844</u>	<u>2,415,206</u>	
Total noncurrent assets	<u>60,467,471</u>	<u>36,429,140</u>	<u>2,814,114</u>	<u>99,710,725</u>	<u>2,415,206</u>	
Total assets	<u>64,459,560</u>	<u>37,521,078</u>	<u>4,904,603</u>	<u>106,885,241</u>	<u>9,060,098</u>	
Liabilities						
Current liabilities:						
Accounts payable	978,733	185,552	172,195	1,336,480	73,632	
Payroll payable	48,800	29,921	9,076	87,797	21,746	
Payable from restricted assets - deposits	38,951	-	-	38,951	-	
Current portion, capital lease payable	-	-	-	-	27,077	
Current portion, bonds payable	900,000	-	-	900,000	-	
Other accrued payables	-	-	-	-	345,922	
Total current liabilities	<u>1,966,484</u>	<u>215,473</u>	<u>181,271</u>	<u>2,363,228</u>	<u>468,377</u>	
Long-term liabilities -						
Capital lease payable	-	-	-	-	106,629	
Bonds payable	9,600,000	-	-	9,600,000	-	
Unamortized bond issuance costs	(218,182)	-	-	(218,182)	-	
Accrued vacation and sick leave	50,486	38,270	12,769	101,525	31,153	
Total long-term liabilities	<u>9,432,304</u>	<u>38,270</u>	<u>12,769</u>	<u>9,483,343</u>	<u>137,782</u>	
Total liabilities	<u>11,398,788</u>	<u>253,743</u>	<u>194,040</u>	<u>11,846,571</u>	<u>606,159</u>	
Net Assets						
Invested in capital assets, net of related debt	45,178,292	24,085,072	24,480	69,287,844	2,281,500	
Restricted for:						
Construction	-	400,321	-	400,321	-	
Unrestricted	7,882,480	12,781,942	4,686,083	25,350,505	6,172,439	
Total net assets	<u>\$ 53,060,772</u>	<u>\$ 37,267,335</u>	<u>\$ 4,710,563</u>	<u>\$ 95,038,670</u>	<u>\$ 8,453,939</u>	

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

CITY OF WEST JORDAN
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the fiscal year ended June 30, 2003

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Sewer	Other Nonmajor Business-type Fund (Solid Waste Fund)	Total Business- type Funds	
Operating revenues:					
Charges for services	\$ 8,268,126	\$ 4,045,415	\$ 2,349,976	\$ 14,663,517	\$ 2,946,472
Operating expenses:					
Sources of supply	3,744,186	-	-	3,744,186	-
Depreciation	1,468,295	609,778	8,840	2,086,913	640,888
Salaries and benefits	1,075,592	761,645	111,108	1,948,345	446,606
Contracted services	25,519	26,987	1,292,868	1,345,374	-
Sewage treatment	-	1,716,822	-	1,716,822	-
Fleet lease	134,119	243,594	20,000	397,713	-
Utilities and telephone	175,554	6,458	-	182,012	-
Professional and technical	87,421	37,082	1,575	126,078	1,183,162
Garbage cans	-	-	87,895	87,895	-
Landfill	-	-	577,535	577,535	-
Supplies and maintenance	418,090	158,231	-	576,321	548,396
Interfund service fee	960,772	451,494	125,494	1,537,760	-
Total operating expenses	<u>8,089,548</u>	<u>4,012,091</u>	<u>2,225,315</u>	<u>14,326,954</u>	<u>2,819,052</u>
Operating income (loss)	<u>178,578</u>	<u>33,324</u>	<u>124,661</u>	<u>336,563</u>	<u>127,420</u>
Nonoperating revenues (expenses):					
Equity in income (loss) of joint ventures	-	(616,377)	261,507	(354,870)	-
Impact fees	1,407,998	1,114,061	-	2,522,059	-
Interest earnings	85,273	-	27,573	112,846	96,053
Interest expense	(110,156)	(16,824)	-	(126,980)	(1,898)
Sundry revenue	-	-	-	-	3,582
Gain (loss) on disposal of equipment	-	-	-	-	107,385
Total nonoperating revenues (expense)	<u>1,383,115</u>	<u>480,860</u>	<u>289,080</u>	<u>2,153,055</u>	<u>205,122</u>
Income before operating transfers and contributions	1,561,693	514,184	413,741	2,489,618	332,542
Contributions from developers	2,755,568	1,432,895	-	4,188,463	-
Transfers in	202,843	35,320,256	-	35,523,099	207,557
Transfers out	<u>(35,223,099)</u>	<u>-</u>	<u>-</u>	<u>(35,223,099)</u>	<u>(320,354)</u>
Change in net assets	(30,702,995)	37,267,335	413,741	6,978,081	219,745
Net assets, beginning	<u>83,763,767</u>	<u>-</u>	<u>4,296,822</u>	<u>88,060,589</u>	<u>8,234,194</u>
Net assets, ending	<u>\$ 53,060,772</u>	<u>\$ 37,267,335</u>	<u>\$ 4,710,563</u>	<u>\$ 95,038,670</u>	<u>\$ 8,453,939</u>

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

CITY OF WEST JORDAN
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2003

	Business-type Activities			Total Business-type Activities	Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Fund		
Increase (decrease) in cash and cash equivalents:					
Cash flows from operating activities:					
Cash received from customers	\$ 8,182,038	\$ 3,877,450	\$ 2,275,225	\$ 14,334,713	\$ -
Cash received from quasi-external transactions	-	-	-	-	2,946,472
Cash payments for goods/services	(6,959,991)	(1,760,028)	(2,047,381)	(10,767,400)	(1,494,041)
Cash payments for quasi-external transactions	(1,094,891)	(695,088)	(145,494)	(1,935,473)	-
Cash payments to employees	(1,045,996)	(693,454)	(100,554)	(1,840,004)	(425,962)
Net cash provided by (used in) operating activities	(918,840)	728,880	(18,204)	(208,164)	1,026,469
Cash flows from noncapital financing activities:					
Other receipts (payments)	-	-	-	-	3,582
Transfers in	202,843	1,670,127	-	1,872,970	207,557
Transfers out	(1,572,970)	-	-	(1,572,970)	(367,306)
Net cash provided by (used in) noncapital financing activities	(1,370,127)	1,670,127	-	300,000	(156,167)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(10,182,856)	(961,643)	-	(11,144,499)	(966,941)
Procees from sale of capital assets	-	-	-	-	111,455
Principal payments - bonds	(1,145,000)	-	-	(1,145,000)	-
Interest paid on revenue bonds	(68,649)	(16,824)	-	(85,473)	-
Proceeds from issuance of bonds	10,426,500	-	-	10,426,500	-
Bond issue costs paid	(166,500)	-	-	(166,500)	-
Payments on capital leases	-	-	-	-	(8,783)
Interest paid on capital leases	-	-	-	-	(1,898)
Impact fees collected	1,407,998	1,114,061	-	2,522,059	-
Net cash provided by capital and related financing activities	271,493	135,594	-	407,087	(866,167)
Cash flows from investing activities:					
Investment in SVWRF	-	(1,522,723)	-	(1,522,723)	-
Purchase of water stock	(10,400)	-	-	(10,400)	-
Purchase of investments	-	-	-	-	-
Payments received on interfund loans	940,000	-	-	940,000	-
Interest on investments	85,273	-	27,573	112,846	96,053
Net cash provided by (used in) investing activities	1,014,873	(1,522,723)	27,573	(480,277)	96,053
Net increase (decrease) in cash and cash equivalents	(1,002,601)	1,011,878	9,369	18,646	100,188
Beginning cash, cash equivalents and restricted cash	6,086,227	-	1,705,311	7,791,538	6,488,923
Ending cash, cash equivalents and restricted cash	\$5,083,626	\$1,011,878	\$1,714,680	\$7,810,184	\$6,589,111
Ending cash, cash equivalents and restricted cash consists of:					
Unrestricted cash and cash equivalents	\$ 572,884	\$ 611,557	\$ 1,714,680	\$ 2,899,121	\$ 6,589,111
Restricted cash and cash equivalents	4,510,742	400,321	-	4,911,063	-
	\$ 5,083,626	\$ 1,011,878	\$ 1,714,680	\$ 7,810,184	\$ 6,589,111

Statement continued on next page
CITY OF WEST JORDAN
Proprietary Funds
Statement of Cash Flows (cont)
For the fiscal year ended June 30, 2003

	Business-type Activities			Total Business-type Activities	Governmental Activities Internal Service Funds
	Water	Sewer	Nonmajor Enterprise Fund		
Noncash Investing, Capital, and Financing Activities					
Contributions of fixed assets from developers Net of non-cash assets and liabilities transferred from water fund to sewer fund	\$ 2,755,568	\$ 1,432,895	-	\$ 2,755,568	\$ -
Capital assets acquired under capital lease Net of non-cash assets and liabilities transferred to the general fund	(33,650,129)	33,650,129	-	-	-
	-	-	-	-	142,489
	-	-	-	-	46,952
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income	\$ 178,578	\$ 33,324	\$ 124,661	\$ 336,563	\$ 127,420
Adjustments to operating income:					
Depreciation	1,468,295	609,778	8,840	2,086,913	640,888
Change in assets and liabilities:					
Accounts receivable	(144,486)	(33,451)	(59,687)	(237,624)	-
Unbilled receivables	58,398	(134,514)	(15,064)	(91,180)	-
Inventory	(207,020)	-	-	(207,020)	(1,903)
Accounts payable	(2,311,858)	185,552	(87,508)	(2,213,814)	12,116
Payroll payable	48,800	29,921	9,076	87,797	21,746
Other accrued payables	-	-	-	-	227,304
Compensated absences	(19,204)	38,270	1,478	20,544	(1,102)
Customer deposits	9,657	-	-	9,657	-
Total adjustments to operating income	<u>(1,097,418)</u>	<u>695,556</u>	<u>(142,865)</u>	<u>(544,727)</u>	<u>899,049</u>
Net cash provided by (used in) operating activities	<u>\$ (918,840)</u>	<u>\$ 728,880</u>	<u>\$ (18,204)</u>	<u>\$ (208,164)</u>	<u>\$ 1,026,469</u>

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

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CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1

Summary of Significant Accounting Policies

The basic financial statements of the City of West Jordan, Utah (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Statement No. 34 establishes standards for external financial reporting for all state and local governmental entities. Certain of the significant changes required by the Statement include the following:

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.)

These and other changes are reflected in the accompanying financial statements (including notes to the basic financial statements).

A. The Reporting Entity

The City, incorporated in 1941, is a municipal corporation governed by an elected mayor and six-member council. The reporting entity consists of the primary government and component units. Component units are entities for which the government is considered to be financially accountable. 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. The West Jordan Redevelopment Agency and the West Jordan Municipal Building Authority are included as blended component units. The Redevelopment Agency was legally created as authorized by the Utah Neighborhood Development Act. The City Council is designated by ordinance as the governing body of the Agency. Therefore, the Agency is part of the reporting entity and is reported as a Special Revenue Fund. The Municipal Building Authority is also a separate legal entity and is reported as a Capital Projects Fund. Separate financial statements are not issued for either of these component units.

The City has no discretely presented component units.

B. Basic Financial Statements - Government-wide Financial Statements

The basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide financial statements and fund financial statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net assets and the statement of activities are government-wide and include the financial activities of the primary government. Assets and liabilities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the City as of the end of the fiscal year.

The statement of activities demonstrates the degree to which the direct expenses of a function are offset by related program revenues. Amounts reported as program revenues include charges to customers for goods or services, operating grants, and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All tax revenue, internally dedicated resources, and impact fees are classified as general revenues. The net costs (by function or business-type activity) are normally covered by general revenues.

The City does not allocate indirect costs.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

C. Basic Financial Statements – Fund Financial Statements

The fund financial statements present financial information in more detail. These statements focus on the major funds. Major individual governmental funds and major individual enterprise funds are presented in separate columns while nonmajor funds are aggregated and then presented in a single column.

The financial structure of the City has been organized on the basis of individual funds. Each fund is a self-balancing set of accounts consisting of its assets, liabilities, fund balance or retained earnings, revenue and expenditures or expenses. Detail accounting records are maintained for each individual fund; however, to provide maximum interest earnings on all idle funds of the City, all cash of the City is pooled for investment purposes. Interest earnings are allocated based upon a percentage

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

method using the month-end cash balances of the individual funds. The various funds are summarized by type in the basic financial statements.

GOVERNMENTAL FUND TYPES

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

General Fund - The General Fund is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Administrative services rendered to other funds are charged to such funds and are shown as charges for services.

Special Revenue Funds - Special Revenue Funds are used to account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities.

Capital Projects Funds - The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of the major capital facilities of the City other than those financed by the proprietary funds.

PROPRIETARY FUND TYPES

The focus of proprietary fund measurement is upon the determination of net income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City's proprietary funds consist of:

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided to other departments or agencies of the City on a cost-reimbursement basis.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements and the proprietary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. The proprietary fund statements distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues are charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

depreciation. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City records utility revenues billed to its customers on a monthly basis. Unbilled services have been estimated and recorded as revenue and accounts receivable at June 30, 2003. The accounts receivable for these revenues are reported net of the allowance for doubtful accounts (\$10,000 at June 30, 2003).

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, sales taxes, franchise taxes, inter-governmental revenues, and interest earned in the current period are accrued and reported as revenue. All other revenues are not subject to accrual because they are either not available soon enough to pay liabilities of the current period or are not measurable. Expenditures are recorded when fund liabilities are incurred. Exceptions to this rule are (a) principal and interest on long-term debt are recorded as fund liabilities only when due and (b) compensated absences are recorded as a liability only when payment is due. Fund liabilities and expenditures are recorded for compensated absence amounts when employment is terminated.

The City applies to both government-wide and proprietary funds statements all GASB pronouncements and FASB statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement.

The effect of interfund activity has generally been eliminated from the government-wide financial statements. The exception to this rule is charges between the general fund and the water, sewer, and solid waste functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions in the statement of activities.

E. Capital Assets

Capital assets are defined by the City as assets with a cost of \$5,000 or greater and an estimated useful life of at least three years. Capital assets are recorded at historical costs or estimated historical cost. Donated capital assets are recorded at estimated fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital outlays are recorded as expenditures of the governmental funds and capital assets of the proprietary funds. In accordance with GASB Statement No. 34, all City infrastructure has been capitalized. Infrastructure includes all transportation corridors as well as storm sewer systems. All capital assets are depreciated using the straight-line basis over the following estimated useful lives:

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements	15
Computer Equipment	3
Machinery and equipment	5-15
Vehicles	5-15
Improvements other than Buildings	20
Roads	30
Sidewalk	45
Storm sewer	45
Water and sewer systems	50

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with an original maturity date of less than 90 days. Investments are stated at their fair value or amortized cost at June 30, 2003. Investments made by the City are regulated by the Utah Money Management Act. This law requires the depositing of City funds in a financial institution whose deposits are insured by an agency of the federal government. State statutes govern the City's investment policies. In addition, the City has its own written investment policies. City funds are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories (see definition of "qualified depository" included above), (2) repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments (only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are conducted with a qualified depository), (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's, Inc. and having a remaining term to maturity of 270 days or less (commercial paper can be purchased directly from the issuer provided proper delivery and safekeeping procedures are followed with a qualified depository or the City Treasurer's safekeeping bank or trust company), (4) bankers' acceptance that are eligible for discount at a federal reserve bank and which have a remaining term to maturity of 270 days or less, (5) negotiable certificates of deposit of \$100,000 or more which have a remaining term to maturity of 365 days or less, (6) obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds, and (7) the Utah State Treasurer's Investment Pool which is a pooled investment fund managed by the Utah State Treasurer.

G. Restricted Assets

Restricted assets include cash and investments that are legally restricted to their use. Impact fees are restricted within the capital projects, water, and sewer funds. Also, cash and investments are held

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

by trustees for the debt service payments on bonded debt and for acquisition and construction of capital projects.

H. Inventory

Inventory is valued at cost that approximates market using the first-in first-out method (FIFO). Inventory in the General Fund consists of expendable supplies that are held for consumption. The cost is recorded as an expenditure at the time individual items are used (Consumption Method). Reported inventories are equally offset by a fund balance reserve which indicate that they do not constitute available spendable resources even though they are a component of net current assets.

I. Prepaid expenditures

Prepaid expenditures in the special revenues fund consist of expenditures relating to the Western Stampede Rodeo. As these expenditures are paid by the City between January 1, 2003 through June 30, 2003, that relate to the next fiscal year rodeo, the City records these items as prepayments. Prepaid expenditures are equally offset by a fund balance reserve, indicating that they do not constitute available expendable resources even though they are a component of net current assets. However, in the government-wide statements, these expenditures are fully recognized on the statement of activities.

J. Investments in Joint Ventures

The City has an investment in the South Valley Water Reclamation Facility (SVWRF), a joint venture. The City's 27.89 percent owned joint venture, is accounted for by the equity method. The City's equity interest means that the City has an explicit, measurable right to the net present or future resources of the joint venture. Under the equity method, the Sewer Fund (Enterprise Fund) records its share of the joint venture's net income or loss for each period. The City also includes its share of advances for capital improvements in this investment. SVWRF is governed by its board of directors. The City appoints one of the SVWRF's five directors. This joint venture does not meet the criteria for inclusion in the City's financial report as a component unit because the City does not exercise administrative control. The complete financial statements for the SVWRF for the year ended December 31, 2002 can be obtained from SVWRF management at 7495 South 1300 West, West Jordan, Utah 84084.

The investment in Trans-Jordan Cities Landfill, a 26.54 percent owned joint venture, is accounted for by the equity method. The City's equity interest represents its explicit, measurable right to the net present or future resources of the joint ventures. Under this method, the Solid Waste Fund (Enterprise Fund) records its share of the joint venture's net income or loss for each period. This joint venture does not meet the criteria for inclusion in the City's financial reports as a component unit because the City does not exercise administrative control. The complete financial statements for the Trans-Jordan Landfill for the year ended June 30, 2003 can be obtained from the Trans-Jordan Landfill at 10873 South 7200 West, South Jordan, Utah 84095.

K. Compensated absences

Vacation is earned on a biweekly basis in varying amounts as determined by an employee's years of service. Proprietary funds recognize an expense for all accrued vacation amounts when the vacation is earned. Governmental funds report an expenditure when vacation is paid or at termination. Comp-time is earned by non-exempt employees and is treated similarly to vacation.

Employees also accumulate sick leave on a biweekly basis. Employees are eligible to be paid out 25% of their annual accrued and unused sick leave. Proprietary funds recognize 25% of the annually accrued and unused sick leave at the end of the fiscal year. Governmental funds report an expenditure when the sick leave is paid.

The noncurrent portion of these amounts for government funds is recognized within the government-wide statements and will appear as a reconciling item between the fund and government-wide statements and the fund statements.

L. Bond Issuance Costs

Bond issuance costs are amortized over the term of the bonds using the effective interest method.

M. Deferred Revenue

Deferred revenue is reported when asset recognition occurs before the revenue is available. Property taxes are collected by the Salt Lake County Treasurer and remitted to the City shortly after collection. Taxes are due and payable on November 1 and are delinquent after November 30 of each year. These property taxes have been reported as deferred revenue.

N. Interfund Transactions

During the course of normal operations, the City has transactions between funds to distribute administrative costs and construct assets. These transactions are generally reflected as "operating transfers" and "charges for services". In addition, loans have been made between funds and are reflected as "due to, due from" on the respective funds' balance sheets.

O. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is reported on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is reported in the year in which the resources are measurable and become available.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements and expenditure requirements. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

Property taxes and special assessments are measurable and susceptible to accrual when they attach as an enforceable lien on the property. They become available when they are due. Amounts that are measurable but not available are recorded as deferred revenue. Property taxes become an enforceable lien on January 1 but are not due until November 30. Special assessments become an enforceable lien when assessed.

P. Fund Equity Reserves

Fund balance – in the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally segregated for a specific purpose.

Restricted net assets – in the government wide financial statements as well as the proprietary fund financial statements, restricted net assets are legally restricted by outside parties for a specific purpose.

Q. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

R. Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

S. Budgets

Budgetary procedures for the City have been established by Utah State Statute. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budget as amended.

In accordance with state law, all appropriations lapse at the end of the budget year. However, unexpended capital projects may be reappropriated. The following are the legal procedures followed by the City:

(1) On or before the first regularly scheduled meeting of the City Council in May, the City Manager, authorized under state statute to be appointed Budget Officer, submits a proposed operating budget for all governmental fund types and an operating and capital budget for all proprietary fund types for the subsequent fiscal year. The budget documents are financing sources and include the proposed budget amounts requested by the department heads along with the proposed budget amounts requested by the City Manager.

(2) A public hearing is held to receive input on all aspects of the proposed budget. The hearing is preceded by a notice in the local newspaper. The notice is given at least seven days before the hearing and includes the time, date and place of the hearing. All budget documents are required to be available for public inspection ten days prior to the public hearing.

(3) On or before June 30, a final balanced budget must be adopted for the subsequent fiscal year beginning July 1. If a tax increase is proposed, a hearing must be held on or before August 10, which does not conflict with other taxing entities that have proposed a tax increase. At this time the final balanced budget is adopted.

(4) The City Manager, acting as Budget Officer, has the budget authority to transfer budget appropriations between individual line items within any department of any budgetary fund.

(5) The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.

(6) A public hearing, as required in (2) 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.

(7) The appropriate director or department head is the authorized officer charged with the responsibility of staying within the department budget and authorizing no expenditures in excess of said budget as required by the Utah Fiscal Procedures Act.

(8) Monthly financial reports are prepared by the Director of Finance for the City Manager. They are also presented to the City Council. These reports contain a budgetary statement showing a comparison of budget to actual for all budgetary funds of the City.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

(9) Utah State law prohibits the appropriation of unrestricted General Fund balance until it exceeds the sum of 5% of the General Fund revenues. Until unreserved fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, meet emergency expenditures, and cover unanticipated deficits. When unreserved fund balance is greater than 18% of expected revenues, the excess must be appropriated within the following two years.

(10) Budgets for the governmental funds are prepared on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Encumbrances lapse at year-end and are automatically reappropriated and reencumbered as part of the subsequent year's budget.

NOTE 2

Cash, Cash Equivalents and Investments

The City maintains pooled cash and investments that are available for use by all funds. Interest earned on these funds is allocated to the funds based on their balances that relate to pooled cash.

Cash	\$ 18,222,184
Public Treasurer's Pool	<u>24,417,576</u>
Total	<u>\$42,639,760</u>
Included in the accompanying balance sheet as follows:	
Cash and cash equivalents	\$ 22,627,133
Restricted assets - cash and cash equivalents	<u>20,012,627</u>
Total	<u>\$42,639,760</u>

The City's investment in the Public Treasurer's Pool is recorded at fair value, which is materially the same as its cost.

At June 30, 2003 the book value of cash on deposit was \$18,222,184 and the bank balance was \$19,121,192 with the difference being outstanding checks, and outstanding deposits. Of these deposits, \$200,000 was covered by federal depository insurance and is classified as Category 1 under GASB Statement No. 3. The remaining bank balance of \$18,921,192 is classified as Category 3. Deposits are not collateralized nor are they required to be by State statute.

Any investment held by the City is required to be categorized to give an indication of the level of risk assumed by the City at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

administered by Utah State Public Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements

Restricted Assets and Reserved Fund Equity

Assets are reported as restricted when external constraints are placed on the use of the assets and these constraints changes the normal understanding of the availability of the asset. Such constraints are either imposed by creditors or imposed by law.

General Fund - Developer and other deposits of \$450,926, Class C-Road funds of \$3,867,899, and reserves for debt service of \$459,822 totaling \$4,778,647, are shown as restricted assets to be used only for the purpose defined by contract or under legal provisions. Customer deposits of \$450,926 represent a liability, therefore fund balance need not be reserved.

Capital Improvements Fund – Cash restricted for construction of \$7,704,339, park impact fees of \$134,637, fire impact fees of \$911,793 and road impact fees of \$780,878 totaling \$9,531,647 are shown as restricted. The fund balance has been reserved for the same amounts.

Municipal Building Authority- Cash in the amount of \$790,947 is restricted for debt service and fund balance has been reserved in the same amount.

Redevelopment Agency Fund- Cash in the amount of \$323 is restricted for debt service and fund balance has been reserved in the same amount.

Water Fund- Cash in the amount of \$4,471,791 is shown as restricted because its use is limited in bond covenants. In addition, customer deposits of \$38,951 are shown as restricted. Net assets are not restricted because both of these items are offset by liabilities.

Sewer Fund-Sewer impact fees of \$400,321 are restricted for construction of capital assets.

NOTE 3

External Investment Pool

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

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

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2003) and then compare those values to come up with an agreed upon fair value of the securities.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

As of June 30, 2003, the City had \$24,417,576 invested in the PTIF which had a fair value of \$24,452,566, for a gain of \$34,990. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of the investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

<u>Investment Type</u>	<u>Investment Percentage</u>
Corporate bonds and notes	83.52%
Money market accounts and Certificates of deposit	8.16%
U.S. Government securities	8.32%
	<u>100.00%</u>

NOTE 4

Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 101,020,253	\$ 12,997,193	\$ -	\$ 114,017,446
Construction in progress	345,692	202,745	(345,692)	202,745
Total capital assets not being depreciated	<u>101,365,945</u>	<u>13,199,938</u>	<u>(345,692)</u>	<u>114,220,191</u>
Capital assets, being depreciated:				
Machinery and equipment	11,154,078	1,177,952	(899,492)	11,432,538
Computer equipment	2,283,035	232,551	(717,008)	1,798,578
Buildings	15,166,367	803,162	(613,468)	15,356,061
Building improvements	-	344,264	-	344,264
Improvements other than buildings	11,038,597	750,196	-	11,788,793
Infrastructure	<u>167,345,938</u>	<u>18,235,313</u>	<u>-</u>	<u>185,581,251</u>
Total capital assets being depreciated	<u>206,988,015</u>	<u>21,543,438</u>	<u>(2,229,968)</u>	<u>226,301,485</u>
Less accumulated depreciation for:				
Machinery and equipment	(7,836,937)	(830,360)	715,057	(7,952,240)
Computer equipment	(2,013,195)	(307,187)	717,008	(1,603,374)
Buildings	(2,753,139)	(341,246)	105,868	(2,988,517)
Building improvements	(113,812)	(22,952)	-	(136,764)
Improvements other than buildings	(2,737,183)	(570,685)	-	(3,307,868)
Infrastructure	<u>(55,193,014)</u>	<u>(5,270,117)</u>	<u>-</u>	<u>(60,463,131)</u>
Total accumulated depreciation	<u>(70,647,280)</u>	<u>(7,342,547)</u>	<u>1,537,933</u>	<u>(76,451,894)</u>
Total capital assets, being depreciated, net	<u>136,340,735</u>	<u>14,200,891</u>	<u>(692,035)</u>	<u>149,849,591</u>
Governmental activities capital assets, net	<u>\$ 237,706,680</u>	<u>\$ 27,400,829</u>	<u>\$ (1,037,727)</u>	<u>\$ 264,069,782</u>

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 437,901	\$ -	\$ -	\$ 437,901
Total capital assets not being depreciated	<u>437,901</u>	<u>-</u>	<u>-</u>	<u>437,901</u>
Capital assets, being depreciated:				
Buildings	321,357	-	-	321,357
Improvements other than buildings	86,526,682	14,584,784	-	101,111,466
Machinery and equipment	<u>383,597</u>	<u>-</u>	<u>-</u>	<u>383,597</u>
Total capital assets being depreciated	<u>87,231,636</u>	<u>14,584,784</u>	<u>-</u>	<u>101,816,420</u>
Less accumulated depreciation for:				
Buildings	(130,921)	(7,141)	-	(138,062)
Improvements other than buildings	(20,008,371)	(2,050,249)	-	(22,058,620)
Machinery and equipment	<u>(240,272)</u>	<u>(29,523)</u>	<u>-</u>	<u>(269,795)</u>
Total accumulated depreciation	<u>(20,379,564)</u>	<u>(2,086,913)</u>	<u>-</u>	<u>(22,466,477)</u>
 Total capital assets, being depreciated, net	 <u>66,852,072</u>	 <u>12,497,871</u>	 <u>-</u>	 <u>79,349,943</u>
 Business-type activities capital assets, net	 <u>\$ 67,289,973</u>	 <u>\$ 12,497,871</u>	 <u>\$ -</u>	 <u>\$ 79,787,844</u>

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

Governmental activities:

General government	\$ 1,247,032
Community development	53,739
Police	94,115
Fire	79,949
Public works (includes depreciation on general infrastructure assets)	5,293,962
Parks and recreation	573,750

Total depreciation expense-governmental activities 7,342,547

Business-type activities

Water	1,468,295
Sewer	609,778
Solid waste	8,840

Total depreciation expense-business-type activities \$ 2,086,913

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 5
Long-term debt

The following is a summary of the changes in long-term debt for the year ended June 30, 2003:

	Beginning			Ending	Due Within
Governmental Activities:	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Bonds payable:					
Lease revenue refunding bonds	\$ 4,180,000	\$ -	\$ (260,000)	\$ 3,920,000	\$ 300,000
Lease revenue bonds	3,490,000	-	(105,000)	3,385,000	115,000
Excise tax road bonds	4,160,000	-	(400,000)	3,760,000	410,000
Sales tax revenue bonds	14,460,000	-	(1,235,000)	13,225,000	1,270,000
Tax increment revenue bonds	<u>655,000</u>	<u>-</u>	<u>(320,000)</u>	<u>335,000</u>	<u>335,000</u>
Total bonds payable	<u>26,945,000</u>	<u>-</u>	<u>(2,320,000)</u>	<u>24,625,000</u>	<u>2,430,000</u>
Other liabilities:					
Capital leases	389,347	142,488	(131,904)	399,931	156,743
Contract payable	2,025,000	-	(70,000)	1,955,000	75,000
Compensated absences	1,048,451	673,347	-	1,752,951	757,706
Tax increment notes payable to developers	<u>2,838,660</u>	<u>-</u>	<u>(161,327)</u>	<u>2,677,333</u>	<u>251,500</u>
	6,301,458	815,835	(363,231)	6,785,215	1,240,949
Governmental activities long-term					
liabilities	<u>\$ 33,246,458</u>	<u>\$ 815,835</u>	<u>\$ (2,683,231)</u>	<u>\$ 31,410,215</u>	<u>\$ 3,670,949</u>
Business-type Activities:					
Water revenue bond	1,145,000	10,500,000	(1,145,000)	10,500,000	900,000
Compensated absences	80,981	20,544	-	101,525	58,945
Business-type activities long-term					
liabilities	<u>\$ 1,225,981</u>	<u>\$ 10,520,544</u>	<u>\$ (1,145,000)</u>	<u>\$ 10,601,525</u>	<u>\$ 958,945</u>

Long-term obligations at June 30, 2003, consist of the following:

Governmental activities:

Tax Increment Revenue Bonds:

The City issued 2000 tax increment revenue bonds in the amount of \$1,280,000 to repay developers for improvements made in a redevelopment area. The bonds are due in annual installments of \$320,000 to \$335,000 through June 25, 2004; interest at 5.32 percent, to be repaid by taxes levied on property in one of the City's redevelopment areas.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

Lease Revenue Bonds:

The City issued 1998 lease revenue bonds in the amounts of \$4,995,000 to advance refund 1992 lease revenue bonds. The bonds are due in annual principal installments of \$250,000 to \$955,000 through December 2012; Interest at 3.8 percent to 4.7 percent, secured by City Hall and to be repaid by the Municipal Building Authority. 3,920,000

The City issued 2001 lease revenue bonds in the amount of \$3,490,000 to construct, furnish and equip a new fire station. The bonds are due in annual principal installments of \$105,000 to \$795,000 through June 2016; Interest at 3.4 percent to 4.7 percent, secured by a fire station and related fixtures, furniture, and equipment and to be repaid by the Municipal Building Authority. 3,385,000

Excise Tax Road Bonds:

The City issued 2001 excise tax road bonds in the amount of \$4,580,000 to finance the construction of a major road. The bonds are due in annual principal installments of \$420,000 to \$540,000 through June 2011; Interest at 3.25 percent to 4.75 percent to be repaid by "C" Road (excise tax) funds received from the State of Utah. 3,760,000

Sales Tax Revenue Bonds:

The City issued 2001 sales tax revenue bonds in the amount of \$14,460,000 to finance improvements to infrastructure within the City. The bonds are due in annual principal installments of \$1,235,000 to \$1,725,000 through March 2012; Interest at 3 percent to 5.5 percent to be repaid by sales tax collections. 13,225,000

Contracts Payable:

The City borrowed \$2,090,000 from HUD to finance the construction of a senior center. The contract payable is due to HUD in annual principal installments of \$65,000 to \$155,000 through August of 2019; Interest at 7.5 percent to 7.9 percent. 1,955,000

Capital Leases:

The City has entered into a lease agreement as lessee for financing the acquisition of new vehicles for the police and streets departments. The original amount of the lease was \$506,255. The terms of the lease require monthly payments of \$11,702 through June 2005, at which time ownership will transfer to the City. The stated rate of interest in the lease agreement is 5.2 percent. 266,225

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

The City has entered into a lease agreement as lessee for financing the acquisition of a new ambulance for the fire department. The original amount of the lease was \$142,489. The terms of the lease require monthly payments of \$2,670 through January 2008, at which time ownership will transfer to the City. The stated rate of interest in the lease agreement is 4.09 percent. 133,706

Tax Increment Notes Payable to Developers

The City has entered into agreements with developers through the Redevelopment Agency to reimburse various developers for improvements made in redevelopment areas. The terms of the notes require the City to make principal payments of 75 percent of the increment money collected for the project areas. The notes are interest free. 2,677,333

Compensated Absences 1,752,951

Total Governmental Activities \$ 31,410,215

Business-type activities:

Water Revenue Bonds:

The program revenue bonds in the amount of \$10,500,000 were issued in March 2003 to finance water system expansion and improvements throughout the City. The bonds are due in annual principal installments of \$900,000 to \$1,200,000 through June of 2013. These bonds are variable rate debt and are remarketed weekly. The interest rate is based on the market conditions the day the bonds are remarketed. The effective interest rate at year end was 1.07 percent. 10,500,000

Compensated Absences 101,525

Total Business-type Activities \$ 10,601,525

Over the past several years, the City defeased debt relating to the 1984 and 1987 Water and Sewer revenue refunding bonds and the 1992 Municipal Building Authority lease revenue bonds. The defeased portion of the 1984 Water and Sewer revenue refunding bonds was \$600,000 at June 30, 2003. The defeased portion of the 1987 Water and Sewer revenue refunding bonds was \$610,000 at June 30, 2003. The defeased portion of the 1992 lease revenue bonds was \$3,770,000 at June 30, 2003.

As of June 30, 2003, annual debt service requirements to maturity are as follows:

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

Governmental Activities-Bonds											
Year Ended June 30	Lease revenue refunding		Lease revenue		Excise tax		Sales tax		Tax increment		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2004	\$ 275,000	\$ 171,676	\$ 115,000	\$ 145,723	\$ 410,000	\$ 154,963	\$ 1,270,000	\$ 550,475	\$ 335,000	\$ 17,822	
2005	290,000	159,597	115,000	141,640	425,000	512,375	1,310,000	512,375	-	-	
2006	300,000	146,763	125,000	137,226	440,000	124,675	1,355,000	469,800	-	-	
2007	315,000	133,154	125,000	132,476	460,000	108,175	1,400,000	422,375	-	-	
2008	325,000	118,833	135,000	127,370	475,000	89,775	1,480,000	369,875	-	-	
2009-2013	2,415,000	339,596	735,000	547,585	1,550,000	145,975	6,410,000	841,025	-	-	
2014-2018	-	-	2,035,000	150,841	-	-	-	-	-	-	
Total	<u>\$ 3,920,000</u>	<u>\$ 1,069,619</u>	<u>\$ 3,385,000</u>	<u>\$ 1,382,861</u>	<u>\$ 3,760,000</u>	<u>\$ 1,135,938</u>	<u>\$ 13,225,000</u>	<u>\$ 3,165,925</u>	<u>\$ 335,000</u>	<u>\$ 17,822</u>	

Governmental-type Activities-Contracts			Business-type Activities Revenue Bond		
Year Ended June 30	Contract		Year Ended June 30	Water revenue bond	
	Principal	Interest		Principal	Interest
2004	\$ 75,000	\$ 145,475	2004	\$ 900,000	\$ 352,250
2005	80,000	139,942	2005	1,000,000	331,200
2006	85,000	134,048	2006	1,000,000	296,700
2007	90,000	127,805	2007	1,000,000	262,200
2008	95,000	121,167	2008	1,000,000	227,700
2009-2013	550,000	491,749	2009-2013	5,600,000	685,337
2014-2018	675,000	257,542	2014-2018	-	-
2019-2020	305,000	24,448	2019-2020	-	-
Total	<u>\$ 1,955,000</u>	<u>\$ 1,442,176</u>	Total	<u>\$ 10,500,000</u>	<u>\$ 2,155,387</u>

Amortization of compensated absences and the tax increment note payable to developer have not been included in the above schedules due to the uncertainty of the timing of the payments.

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

NOTE 6

Capital leases

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when the terms of the lease agreement are met. The following is a schedule by year of future minimum lease payments as of June 30, 2003:

Fiscal Year <u>Ending June 30</u>	<u>Governmental Activities</u>
2004	\$172,469
2005	172,469
2006	32,041
2007	32,041
2008	18,691
Thereafter	<u>-</u>
Total minimum lease payments	427,711
Less: Amount representing interest	<u>27,780</u>
Present value of net minimum lease payments	<u><u>\$399,931</u></u>

Equipment and related accumulated depreciation under capital lease are as follows:

Cost of equipment	\$506,255
Accumulated depreciation	101,251

NOTE 7

Retirement Plans

Plan Description: The City contributes to the following cost-sharing multiple-employer defined benefit retirement plans administered by the Utah State Retirement Systems (USRS):

- Local Government Contributory Retirement System
- Local Government Noncontributory Retirement System
- Public Safety Contributory Retirement System
- Public Safety Noncontributory Retirement System
- Firefighters Retirement System

The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System for employers without Social Security coverage, and Firefighters Retirement System which are for employers without Social Security coverage. A copy of this report may be obtained by writing to the USRS, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772. Funding Policy: The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by the statute and specified by the Board.

	Employee contribution paid by City	City's Contribution
Local Governmental-Contributory	6.00%	4.68%
Local Governmental-Noncontributory	-	8.69%
Public Safety-Contributory	10.50%	7.34%
Public Safety-Noncontributory	-	17.66%
Firefighters System	7.83%	-

System	Year Ended June 30	Employee Contribution paid by City	City's Contribution
Local Governmental-Contributory	2003	\$ 13,141	10,250
	2002	16,266	11,359
	2001	17,799	18,718
Local Governmental-Noncontributory	2003	-	530,085
	2002	-	438,205
	2001	-	503,543
Public Safety-Contributory	2003	47,076	33,607
	2002	44,509	27,257
	2001	42,310	35,943
Public Safety-Noncontributory	2003	-	587,570
	2002	-	526,580
	2001	-	551,143
Firefighters System	2003	220,946	-
	2002	214,945	-
	2001	346,580	-

Contributions were equal to the required contributions.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 8

Deferred Compensation Plan

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

Defined Contribution Money Purchase Plan The City also participates in an insured, contributory defined contribution retirement plans administered by ICMA Retirement Corporation. Under the plan, the City contributes amounts from 0 percent to 24.5 percent depending on which defined contribution system each employee class belongs to. Employees are classified as follows: Management, General Employees, Police, and Fire.

An employee is vested immediately with the first contribution to ICMA Retirement Corporation. The plans replace contributions previously made to the Social Security system. Presently, the City is under its own obligation by resolution to continue with contributions to the plans. No other federal or State laws obligate the City to participate in this plan. The program is pursuant to section 401(A) and 401(C) the Internal Revenue Service Code. Withdrawals of monies, per Federal Law are subject to a mandatory withdrawal penalty in the amount of 10% unless the employee has attained the age of 59 1/2. All of the City's full-time employees participate in the ICMA Retirement Corporation. The payroll for the employees covered by the plans was \$15,387,340. The City's total payroll for the year ended June 30, 2003 was \$15,870,707. The contribution requirement for the year ended June 30, 2003 was \$1,670,769.

NOTE 9

Segment Information

The City has issued program revenue bonds to finance certain improvements to its culinary water distribution system. Because this activity is accounted for in a separate fund and the fund is reported as a major fund in the fund financial statements, segment disclosures herein are not required.

Redevelopment Agency

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

Tax increment money was generated by the following project areas within the Redevelopment Agency:

Area:	8600 South 3200-3600 West	\$160,000
	6200 West 9200-9400 South	587,527
	1700 West 6600-7000 South	512,000
	7800 South 1300-1600 West	138,000
	9000 South 1300-1700 West	385,000
	Independence Square Area	145,000

During the year, the RDA expended monies in the categories below as follows:

Administration Costs	\$ 16,373
Interest	35,764
Principal payments	481,327

Outstanding loans to finance RDA projects as of
 June 30, 2003: \$ 2,677,333

NOTE 10
Interfund Receivables and Payables / Transfers

Interfund receivables and payables as June 30, 2003 were as follows:

Due From	Due To	Amount
Non-Major Governmental	General	\$30,095
Capital Improvements	Water	\$2,001,500

Transfers In / Transfers Out

Interfund transfers during the year ended June 30, 2003 were as follows:

Transfers Out	Transfers in						
	General Fund	Capital Improvements	Water	Sewer	Non-major Governmental	Internal Service	Total
General fund	\$ -	\$ -	\$ -	\$ -	\$ 731,215	\$ 147,508	\$ 878,723
Capital Improvements	-	-	-	-	-	60,049	60,049
Water	-	-	-	35,223,099	-	-	35,223,099
Non-Major Governmental	848,025	204,378	202,843	97,157	-	-	1,352,403
Internal Service	320,354	-	-	-	-	-	320,354
Total	\$ 1,168,379	\$ 204,378	\$ 202,843	\$ 35,320,256	\$ 731,215	\$ 207,557	\$ 37,834,628

NOTE 11
Risk Management

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

The City is exposed to various risks of loss related to torts; theft, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains a self-insurance fund to finance its risk of loss. The self-insurance fund provides coverage up to a maximum of \$15,000 for general liability and property damages. During fiscal year 1986, the City became a member of the Utah Risk Management Mutual Association (URMMA). URMMA provides general liability, automobile liability and errors and omissions coverage to its members for claims in excess of coverage provided by the self-insurance fund. The City is also self-insured for unemployment.

The City has purchased commercial insurance for property damage to its buildings and damage to its heavy equipment, large fire apparatuses, street sweeper, and sewer truck. The amounts of settlements have not exceeded insurance coverage for any of the past three fiscal years. All other City vehicles are not covered for property damage. Claims information for the past two years is as follows:

	<u>2003</u>	<u>2002</u>
Claims liability, July 1	\$ 117,465	\$110,891
Claims incurred during the year and changes in estimates	267,062	66,219
Payments on claims during the year		
Payments made by insurance	122,600	35,044
Coinsurance and deductible insurance payments made by the City	<u>54,028</u>	<u>24,601</u>
Claims liability, June 30,	<u>\$ 207,899</u>	<u>\$ 117,465</u>

NOTE 12

Jointly Governed Organization

The City, in conjunction with other governmental entities, jointly governs URMMA. URMMA's board is comprised of one member from each participating entity. Except for the customary fees, no participant has any obligation, entitlement or residual interest.

URMMA was formed by an interlocal agreement effective September 30, 1985, pursuant to the provisions of the Utah Interlocal Cooperation Act. The interlocal agreement has a fifty-year term. Municipalities seek membership in the Association in order to provide more comprehensive and economical risk coverage, to reduce the amount and frequency of losses, and to decrease the cost incurred in handling and litigating claims.

NOTE 13

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

Investment in Joint Ventures

South Valley Water Reclamation Facility

The City of West Jordan has a 27.89 percent ownership in the South Valley Water Reclamation Facility (SVWRF) that is accounted for by the equity method. SVWRF, a separate legal entity, was formed pursuant to the provisions of the Interlocal Cooperation Act to maintain and operate regional sewage treatment facilities for the benefit of its member entities. SVWRF's membership is comprised of two municipalities and three suburban sanitary improvement districts. In addition to West Jordan, the members consist of South Valley Sewer District, Sandy Suburban Improvement district, Salt Lake City Suburban Sanitary District #2, and Midvale City that have ownership interests of 34.21 percent, 20.79 percent, 10.53 percent, and 6.58 percent, respectively.

Summary financial information for the SVWRF joint venture at December 31, 2002, and for the year then ended is as follows:

Total Assets	\$50,225,489
Total Liabilities	<u>1,831,069</u>
Total Fund Equity	<u>\$48,394,420</u>
Total Revenues	\$6,499,662
Total Expenses	<u>8,709,691</u>
Net Loss	<u>\$(2,210,029)</u>

Trans-Jordan Cities Landfill

The City of West Jordan has a 26.54 percent ownership in the Trans Jordan Cities Landfill (Trans-Jordan) that is accounted for by the equity method. The primary purpose of the Trans-Jordan is the operation, maintenance, and control of a refuse dumping site situated east of Bingham Canyon in Salt Lake County. Residents and businesses from all member cities and Salt Lake County can use the facility by paying a tipping fee for each refuse load. Trans-Jordan is also used for the disposal of weekly garbage pickups of the cities in Trans-Jordan for which an assessment is charged. In addition to West Jordan, the Trans-Jordan is owned by the cities of Midvale, Murray, Sandy, Draper, South Jordan, and Riverton that have ownership interests of 6.21 percent, 10.66 percent, 36.89 percent, 5.3 percent, 8.06 percent, and 6.34 percent respectively.

Summary financial information for the Trans-Jordan joint venture at June 30, 2003, and for the year then ended is as follows:

Total Assets	\$16,782,574
Total Liabilities	<u>3,774,220</u>
Total Fund Equity	<u>\$13,008,354</u>
Total Revenues	\$5,726,881
Total Expenses	<u>4,741,550</u>
Net Income	<u>\$ 985,331</u>

NOTE 14

Conduit Debt

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

The City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2003, there were nine series of Industrial Revenue Bonds outstanding.

The aggregate principal amount payable for the series could not be determined; however, their original issue amounts totaled \$56,215,000.

NOTE 15

Implementation of Accounting Pronouncements

In addition to GASB Statement No. 34, mentioned in Note A, the City also implemented as of and for the year ended June 30, 2003, the following GASB pronouncements:

- No. 37 – Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus
- No. 38 – Certain Financial Statement Note Disclosures
- Interpretation No. 6 – Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

As a result of implementing these pronouncements for the fiscal year ended June 30, 2003, the following restatements were made to beginning fund balance and net asset amounts:

Fund financial statements

The beginning net assets of the enterprise funds were derived by aggregating the previously reported retained earnings and contributed capital of those funds.

The City’s redevelopment fund was previously reported as an enterprise fund but was reclassified under GASB 34 to a nonmajor special revenue fund. The beginning fund equity of \$805,255 was increased by \$655,000 to account for the effects of certain long-term debt that had previously been reported as a fund liability. Restated beginning net assets are \$1,460,255.

Government-wide financial statements

CITY OF WEST JORDAN
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 JUNE 30, 2003

Beginning net assets for governmental activities was determined as follows:

Fund balances of general, special revenue, and capital projects funds as of June 30, 2002	\$ 22,626,021
Reconciliation to Government Activities Beginning Net Assets:	
Restatement of redevelopment agency as governmental fund (reported as an enterprise fund in previous years)	1,460,255
Governmental capital assets as of July 1, 2002	299,200,112
Less accumulated depreciation as of July 1, 2002	(63,444,166)
Lease revenue refunding bonds payable as of July 1, 2002	(4,180,000)
Lease revenue bonds payable as of July 1, 2002	(3,490,000)
Excise tax road bonds payable as of July 1, 2002	(4,160,000)
Sales tax revenue bonds payable as of July 1, 2002	(14,460,000)
Tax increment revenue payable bonds as of July 1, 2002	(655,000)
Capital leases payable as of July 1, 2002	(389,347)
Notes payable to developers as of July 1, 2002	(2,838,660)
Contracts payable as of July 1, 2002	(2,025,000)
Internal service fund net assets as July 1, 2002	8,234,194
Governmental compensated absences payable as of July 1, 2002	(1,048,451)
Adjustments for previously deferred property tax revenue	6,636,066
Accrued interest on long-term debt as of July 1, 2002	(174,902)
July 1, 2002 governmental net assets, as restated	<u>\$ 241,291,122</u>

NOTE 16

Commitments & Contingencies

a. Litigation

The City is a defendant in a number of lawsuits that have arisen in the normal course of operations. It is not possible to state the ultimate liability, if any, in these matters. However, the City Attorney, after consultation with the City Council, intends to vigorously defend the City's position and is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the basic financial statements of the City.

CITY OF WEST JORDAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2003

b. Construction contracts

At year end, the City has open construction contracts. Work that has been completed but not yet paid for, are reflected as accounts payable and construction work in process. The uncompleted balance remaining on open contracts was approximately \$6,000,000 at June 30, 2003.

c. Other postemployment benefits

The City provides postretirement health and dental care benefits for certain retirees and their dependents. Retired employees may convert their sick leave balance toward the monthly health and dental insurance premium. The percentage of convertible hours varies depending upon a retiree's years of service. Employees with 5 to 9 years of service are eligible to convert 40 percent of their sick leave hours; employees with 10 to 14 years of service are eligible to convert 50 percent of their sick leave hours; employees with 15 to 19 years of service are eligible to convert 60 percent of their sick leave hours; employees with 20 or more years of service are eligible to convert 70 percent of their sick leave hours. The government's regular health and dental care benefit providers underwrite the retiree's policies. As of year end, there were 10 employees receiving benefits under this program. The government finances the plan on a pay-as-you-go basis.

COMBINING FINANCIAL STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Western Stampede Fund – This fund is used to account for the activities associated with the annual July 4th celebration.

Animal Control Fund – This fund is used to account for enforcement of the animal control ordinances of the City.

Fairway Estates Special Service DistrictU – This fund is used to develop and maintain recreation areas within the Fairway Estates subdivision.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Municipal Building Authority – This fund is used to gain financing and construct facilities such as new buildings.

CITY OF WEST JORDAN
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Western Stampede	Fairway Estates	Redevelopment Agency	Total	Municipal Building Authority	
<u>Assets</u>						
Cash and cash equivalents	\$ -	\$ 3,893	\$ 1,543,345	\$ 1,547,238	\$ 750,063	\$ 2,297,301
Taxes receivable	-	118	1,905,000	1,905,118	-	1,905,118
Prepaid expenditures	85,674	-	-	85,674	-	85,674
Restricted assets-						
Cash and cash equivalents	-	-	323	323	790,947	791,270
 Total assets	 <u>85,674</u>	 <u>4,011</u>	 <u>3,448,668</u>	 <u>3,538,353</u>	 <u>1,541,010</u>	 <u>5,079,363</u>
 <u>Liabilities and fund balance</u>						
Liabilities:						
Accounts payable	15,220	2,295	10,311	27,826	-	27,826
Deferred revenue	33,428	-	1,905,000	1,938,428	-	1,938,428
Due to other funds	30,095	-	-	30,095	-	30,095
 Total liabilities	 <u>78,743</u>	 <u>2,295</u>	 <u>1,915,311</u>	 <u>1,996,349</u>	 <u>-</u>	 <u>1,996,349</u>
Fund balance:						
Reserved:						
For prepaid expenditures	85,674	-	-	85,674	-	85,674
For debt service	-	-	-	-	790,947	790,947
Unreserved, undesignated	(78,743)	1,716	1,533,357	1,456,330	750,063	2,206,393
 Total fund balances	 <u>6,931</u>	 <u>1,716</u>	 <u>1,533,357</u>	 <u>1,542,004</u>	 <u>1,541,010</u>	 <u>3,083,014</u>
 Total liabilities and fund balances	 <u>\$ 85,674</u>	 <u>\$ 4,011</u>	 <u>\$ 3,448,668</u>	 <u>\$ 3,538,353</u>	 <u>\$ 1,541,010</u>	 <u>\$ 5,079,363</u>

CITY OF WEST JORDAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2003

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 19,259,682	\$ 1,772,822	\$ 1,934,547	\$ 22,967,051
Licenses and permits	1,923,378	-	-	1,923,378
Intergovernmental	2,896,872	1,182,907	-	4,079,779
Charges for services	3,086,009	-	109,158	3,195,167
Fines and forfeitures	1,442,294	-	-	1,442,294
Impact fees	-	4,893,627	-	4,893,627
Interest	183,415	254,583	54,386	492,384
Donations	-	75,000	-	75,000
Miscellaneous	129,925	-	-	129,925
Total revenues	<u>28,921,575</u>	<u>8,178,939</u>	<u>2,098,091</u>	<u>39,198,605</u>
Expenditures				
Current:				
General government	5,903,391	-	-	5,903,391
Community Development	1,326,179	435,646	16,373	1,778,198
Police	8,962,448	-	-	8,962,448
Fire	5,514,809	-	-	5,514,809
Public works	4,818,071	270,460	-	5,088,531
Parks, recreation, and public property	1,490,855	-	173,401	1,664,256
Debt service:				
Principal payments	400,000	1,305,000	846,327	2,551,327
Interest and fiscal charges	169,763	739,955	370,479	1,280,197
Capital lease payment-principal	123,122	-	-	123,122
Capital lease payment-interest	17,306	-	-	17,306
Capital outlay:				
Roads	-	770,519	-	770,519
Parks	-	741,261	-	741,261
Storm sewer	-	2,457,348	-	2,457,348
Buildings	-	660,215	-	660,215
Total expenditures	<u>28,725,944</u>	<u>7,380,404</u>	<u>1,406,580</u>	<u>37,512,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>195,631</u>	<u>798,535</u>	<u>691,511</u>	<u>1,685,677</u>
Other financing sources (uses):				
Transfers in	1,168,379	204,378	731,215	2,103,972
Transfers out	(878,723)	(60,049)	(1,352,403)	(2,291,175)
Sale of land	-	122,698	-	122,698
Total other financing sources (uses)	<u>289,656</u>	<u>267,027</u>	<u>(621,188)</u>	<u>(64,505)</u>
Net change in fund balance	485,287	1,065,562	70,323	1,621,172
Fund balance, beginning	9,848,245	11,225,340	3,012,691	24,086,276
Fund balances, ending	<u>\$ 10,333,532</u>	<u>\$ 12,290,902</u>	<u>\$ 3,083,014</u>	<u>\$ 25,707,448</u>

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

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**SCHEDULES OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**

Special Revenue and Capital Projects Funds

CITY OF WEST JORDAN
Western Stampede Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 114,300	\$ 114,300	\$ 109,158	\$ (5,142)
Total revenues	<u>114,300</u>	<u>114,300</u>	<u>109,158</u>	<u>(5,142)</u>
Expenditures:				
Parks and recreation	144,300	144,300	159,400	(15,100)
Total expenditures	<u>144,300</u>	<u>144,300</u>	<u>159,400</u>	<u>(15,100)</u>
Excess of revenues over expenditures	<u>(30,000)</u>	<u>(30,000)</u>	<u>(50,242)</u>	<u>(20,242)</u>
Other financing sources:				
Transfers in	30,000	30,000	30,000	-
Total other financing sources:	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	-	-	(20,242)	(20,242)
Fund balance-beginning	27,173	27,173	27,173	-
Fund balance-ending	<u>\$ 27,173</u>	<u>\$ 27,173</u>	<u>\$ 6,931</u>	<u>\$ (20,242)</u>

CITY OF WEST JORDAN
Fairway Estates Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,868	\$ 6,868	\$ 7,020	\$ 152
Interest	20	20	98	78
Total revenues	<u>6,888</u>	<u>6,888</u>	<u>7,118</u>	<u>230</u>
Expenditures:				
Parks and recreation	12,720	12,720	14,001	(1,281)
Total expenditures	<u>12,720</u>	<u>12,720</u>	<u>14,001</u>	<u>(1,281)</u>
Excess of revenues over expenditures	<u>(5,832)</u>	<u>(5,832)</u>	<u>(6,883)</u>	<u>(1,511)</u>
Net change in fund balance	(5,832)	(5,832)	(6,883)	(1,511)
Fund balance-beginning	8,599	8,599	8,599	-
Fund balance-ending	<u>\$ 2,767</u>	<u>\$ 2,767</u>	<u>\$ 1,716</u>	<u>\$ (1,511)</u>

CITY OF WEST JORDAN
Redevelopment Agency
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,924,000	\$ 1,924,000	\$ 1,927,527	\$ 3,527
Interest	-	-	31,442	31,442
Total revenues	<u>1,924,000</u>	<u>1,924,000</u>	<u>1,958,969</u>	<u>34,969</u>
Expenditures:				
Community development	515,494	515,494	16,373	499,121
Debt service:				
Principal payments	481,327	481,327	481,327	-
Interest and fiscal charges	35,764	35,764	35,764	-
Total expenditures	<u>1,032,585</u>	<u>1,032,585</u>	<u>533,464</u>	<u>499,121</u>
Excess of revenues over expenditures	<u>891,415</u>	<u>891,415</u>	<u>1,425,505</u>	<u>534,090</u>
Other financing uses:				
Transfers out	<u>(1,221,775)</u>	<u>(1,221,775)</u>	<u>(1,352,403)</u>	<u>(130,628)</u>
Total other financing uses	<u>(1,221,775)</u>	<u>(1,221,775)</u>	<u>(1,352,403)</u>	<u>(130,628)</u>
Net change in fund balance	(330,360)	(330,360)	73,102	403,462
Fund balance-beginning	<u>1,460,255</u>	<u>1,460,255</u>	<u>1,460,255</u>	<u>-</u>
Fund balance-ending	<u>\$ 1,129,895</u>	<u>\$ 1,129,895</u>	<u>\$ 1,533,357</u>	<u>\$ 403,462</u>

CITY OF WEST JORDAN
 Capital Improvements Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
 For the fiscal year ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Sales Tax	\$ 1,824,325	\$ 1,824,325	\$ 1,772,822	\$ (51,503)
Intergovernmental	1,262,500	1,262,500	1,182,907	(79,593)
Impact fees	2,655,000	2,655,000	4,893,627	2,238,627
Interest	290,000	290,000	254,583	(35,417)
Donations	-	75,000	75,000	-
Total revenues	6,031,825	6,106,825	8,178,939	2,072,114
Expenditures:				
Current:				
Community development	1,092,345	1,092,345	435,646	656,699
Public works	270,460	270,460	270,460	-
Debt service:				
Principal	1,305,000	1,305,000	1,305,000	-
Interest	739,945	739,945	739,955	(10)
Capital outlay:				
Roads	633,351	633,351	770,519	(137,168)
Parks	4,093,655	4,093,655	741,261	3,352,394
Storm sewer	6,450,791	6,450,791	2,457,348	3,993,443
Buildings	916,079	916,079	660,215	255,864
Total expenditures	15,501,626	15,501,626	7,380,404	8,121,222
Excess (deficiency) of revenues over (under) expenditures	(9,469,801)	(9,394,801)	798,535	10,193,336
Other financing sources (uses):				
Operating transfers in	-	-	204,378	204,378
Operating transfers out	(75,000)	(75,000)	(60,049)	14,951
Sale of land	-	-	122,698	122,698
Net other financing sources	(75,000)	(75,000)	267,027	342,027
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,469,801)	(9,469,801)	1,065,562	10,535,363
Fund balance, beginning	11,225,340	11,225,340	11,225,340	-
Fund balance, ending	\$ 1,755,539	\$ 1,755,539	\$ 12,290,902	\$ 10,535,363

CITY OF WEST JORDAN
Municipal Building Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 22,846	\$ 22,846
Total revenues	<u>-</u>	<u>-</u>	<u>22,846</u>	<u>22,846</u>
Expenditures				
Debt service:				
Principal payments	365,000	365,000	365,000	-
Interest and viscal charges	<u>336,215</u>	<u>336,215</u>	<u>334,715</u>	<u>1,500</u>
Total expenditures	<u>701,215</u>	<u>701,215</u>	<u>699,715</u>	<u>1,500</u>
Excess of (deficiency) of revenues over (under) expenditures	<u>(701,215)</u>	<u>(701,215)</u>	<u>(676,869)</u>	<u>24,346</u>
Other financing sources:				
Transfers in	<u>701,215</u>	<u>701,215</u>	<u>701,215</u>	<u>-</u>
Total other financing sources	<u>701,215</u>	<u>701,215</u>	<u>701,215</u>	<u>-</u>
Net change in fund balance	-	-	24,346	24,346
Fund balance-beginning	<u>1,516,664</u>	<u>1,516,664</u>	<u>1,516,664</u>	<u>-</u>
Fund balance-ending	<u>\$ 1,516,664</u>	<u>\$ 1,516,664</u>	<u>\$ 1,541,010</u>	<u>\$ 24,346</u>

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL SCHEDULES

General Fund

These supplementary schedules are included to provide management additional information for financial analysis.

CITY OF WEST JORDAN
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2003

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget -
				Positive (Negative)
Revenues:				
Taxes	\$ 20,538,620	\$ 20,538,620	\$ 19,259,682	\$ (1,278,938)
Licenses and permits	1,540,139	1,540,139	1,923,378	383,239
Intergovernmental	2,873,933	2,889,933	2,896,872	6,939
Charges for services	3,108,182	3,138,182	3,086,009	(52,173)
Fines and forfeitures	1,350,000	1,350,000	1,442,294	92,294
Interest income	129,000	129,000	183,415	54,415
Miscellaneous	99,600	102,600	129,925	27,325
Total revenues	29,639,474	29,688,474	28,921,575	(766,899)
Expenditures:				
General government:				
Mayor & city council	189,050	189,050	184,550	4,500
Boards & commissions	106,680	125,680	115,866	9,814
Court	581,010	581,010	545,631	35,379
City manager	301,976	301,976	302,093	(117)
Administrative services	284,384	284,384	284,030	354
Management information systems	844,753	1,112,053	1,014,843	97,210
Facilities	777,710	777,710	750,796	26,914
Human resources	272,473	272,473	237,319	35,154
Accounting	634,736	649,136	619,950	29,186
Treasury	227,868	227,868	226,362	1,506
Recorder	206,331	217,831	215,509	2,322
Election	11,500	-	-	-
Attorney	518,924	526,219	732,203	(205,984)
Nondepartmental	917,050	917,050	674,239	242,811
Total general government	5,874,445	6,182,440	5,903,391	279,049
Community development:				
Planning & zoning	613,329	617,584	562,169	55,415
Economic development	125,976	125,976	118,424	7,552
Building safety	659,719	659,719	645,586	14,133
Total community development	1,399,024	1,403,279	1,326,179	77,100
Police:				
Support services	2,344,009	2,279,542	2,119,257	160,285
Line services	6,734,395	6,798,862	6,621,607	177,255
Animal control	281,130	281,130	221,584	59,546
Total police	9,359,534	9,359,534	8,962,448	397,086
Fire				
	5,661,650	5,661,650	5,514,809	146,841
Public works:				
Public works administration	409,586	412,783	407,999	4,784
Engineering	698,311	740,729	742,208	(1,479)
Streets	2,025,304	2,025,304	1,892,048	133,256
C road projects	2,769,110	3,947,454	1,775,816	2,171,638
Total public works	5,902,311	7,126,270	4,818,071	2,308,199
Parks and recreation:				
Parks	1,621,156	1,621,156	1,395,570	225,586
Cemeteries	96,540	96,540	95,285	1,255
Total parks and recreation	1,717,696	1,717,696	1,490,855	226,841
Debt service:				
Principal	400,000	400,000	400,000	-
Interest	170,000	170,000	169,763	237
Capital lease payments - principal	123,122	123,122	123,122	-
Capital lease payments - interest	17,306	17,306	17,306	-
Total debt service	710,428	710,428	710,191	237
Total expenditures	30,625,088	32,161,297	28,725,944	3,435,353
Excess of revenues over expenditures	(985,614)	(2,472,823)	195,631	2,668,454
Other financing sources (uses):				
Transfers in	778,585	778,585	1,168,379	389,794
Transfers out	(731,215)	(731,215)	(878,723)	(147,508)
Total other financing sources (uses):	47,370	47,370	289,656	242,286
Net change in fund balance	(938,244)	(2,425,453)	485,287	2,910,740
Fund balance-beginning	9,848,245	9,848,245	9,848,245	-
Fund balance-ending	\$ 8,910,001	\$ 7,422,792	\$ 10,333,532	\$ 2,910,740

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other government units.

Fleet Operations Fund – This fund is used to account for the costs of operating a maintenance facility for automotive equipment used by other city departments. A service fee is charged to the other departments monthly.

Risk Management – This fund is used to account for the costs of insurance premiums and claims made against the City. Monies are accumulated in this fund to pay premiums for liability and property damage insurance and other claims. The City participates in the Utah Risk Management Mutual Association for its liability and property damage insurance and is responsible for annual premiums as well as 100% of losses above the deductible in an amount equal to 20% of all net loss payments made during the previous five years on behalf of the City.

CITY OF WEST JORDAN
Internal Service Funds
Combining Statement of Net Assets
June 30, 2003

	<u>Fleet Operations</u>	<u>Risk Management</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 5,588,612	\$ 1,000,499	\$ 6,589,111
Inventory	<u>55,781</u>	<u>-</u>	<u>55,781</u>
Total current assets	<u>5,644,393</u>	<u>1,000,499</u>	<u>6,644,892</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	9,601,229	-	9,601,229
Less accumulated depreciation	<u>(7,186,023)</u>	<u>-</u>	<u>(7,186,023)</u>
Total noncurrent assets	<u>2,415,206</u>	<u>-</u>	<u>2,415,206</u>
Total assets	<u>8,059,599</u>	<u>1,000,499</u>	<u>9,060,098</u>
Current liabilities:			
Accounts payable	44,031	29,601	73,632
Payroll payable	21,746	-	21,746
Current portion capital lease payable	27,077	-	27,077
Other accrued payables	<u>-</u>	<u>345,922</u>	<u>345,922</u>
Total current liabilities	<u>92,854</u>	<u>375,523</u>	<u>468,377</u>
Non-current liabilities:			
Accrued vacation and sick leave	31,153	-	31,153
Capital lease payable	<u>106,629</u>	<u>-</u>	<u>106,629</u>
Total noncurrent liabilities	<u>137,782</u>	<u>-</u>	<u>137,782</u>
Net assets			
Invested in capital assets, net of related debt	2,281,500	-	2,281,500
Unrestricted	<u>5,547,463</u>	<u>624,976</u>	<u>6,172,439</u>
Total net assets	<u>\$ 7,828,963</u>	<u>\$ 624,976</u>	<u>\$ 8,453,939</u>

CITY OF WEST JORDAN
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the fiscal year ended June 30, 2003

	<u>Fleet Operations</u>	<u>Risk Management</u>	<u>Equipment Operations</u>	<u>Total</u>
Operating revenues:				
Charges for services-internal	\$ 2,062,982	\$ 883,490	\$ -	<u>2,946,472</u>
Operating expenses:				
Depreciation	640,888	-	-	640,888
Salaries and benefits	446,606	-	-	446,606
Professional and technical	80,861	1,102,301	-	1,183,162
Supplies and maintenance	548,396	-	-	548,396
Total operating expenses	<u>1,716,751</u>	<u>1,102,301</u>	<u>-</u>	<u>2,819,052</u>
Operating income (loss)	<u>346,231</u>	<u>(218,811)</u>	<u>-</u>	<u>127,420</u>
Nonoperating revenues (expenses):				
Interest earnings	87,474	8,579	-	96,053
Interest expense	(1,898)	-	-	(1,898)
Sundry revenue	608	2,974	-	3,582
Gain (loss) on disposal of equipment	107,385	-	-	107,385
Total nonoperating revenues	<u>193,569</u>	<u>11,553</u>	<u>-</u>	<u>205,122</u>
Income (loss) before transfers	539,800	(207,258)	-	332,542
Transfers in	207,557	-	-	207,557
Transfers out	<u>-</u>	<u>-</u>	<u>(320,354)</u>	<u>(320,354)</u>
Changes in net assets	747,357	(207,258)	(320,354)	219,745
Net assets, beginning	7,081,606	832,234	320,354	8,234,194
Net assets, ending	<u>\$ 7,828,963</u>	<u>\$ 624,976</u>	<u>\$ -</u>	<u>\$ 8,453,939</u>

CITY OF WEST JORDAN
Internal Service Funds
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2003

	Fleet Operations	Equipment Operations	Risk Management	Total
Increase (decrease) in cash and cash equivalents				
Cash flows from operating activities:				
Cash received from quasi-external transactions	\$ 2,062,982	\$ -	\$ 883,490	\$ 2,946,472
Cash payments for goods/services	(619,910)	-	(874,131)	(1,494,041)
Cash payments to employees	(425,962)	-	-	(425,962)
Net cash provided by operating activities	<u>1,017,110</u>	<u>-</u>	<u>9,359</u>	<u>1,026,469</u>
Cash flows from noncapital financing activities:				
Other receipts	608	-	2,974	3,582
Transfers out	-	(367,306)	-	(367,306)
Transfers in	207,557	-	-	207,557
Net cash provided by (used in) noncapital financing activities	<u>208,165</u>	<u>(367,306)</u>	<u>2,974</u>	<u>(156,167)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(966,941)	-	-	(966,941)
Payments made on capital leases	(8,783)	-	-	(8,783)
Interest paid on capital leases	(1,898)	-	-	(1,898)
Proceeds from sale of capital assets	111,455	-	-	111,455
Net cash used in capital and related financing activities	<u>(866,167)</u>	<u>-</u>	<u>-</u>	<u>(866,167)</u>
Cash flows from investing activities:				
Interest on investments	87,474	-	8,579	96,053
Net cash provided by investing activities	<u>87,474</u>	<u>-</u>	<u>8,579</u>	<u>96,053</u>
Net increase (decrease) in cash and cash equivalents	446,582	(367,306)	20,912	100,188
Beginning cash and cash equivalents	<u>5,142,030</u>	<u>367,306</u>	<u>979,587</u>	<u>6,488,923</u>
Ending cash and cash equivalents	<u>\$ 5,588,612</u>	<u>\$ -</u>	<u>\$ 1,000,499</u>	<u>\$ 6,589,111</u>

Statement continued on next page

CITY OF WEST JORDAN
Internal Service Funds
Combining Statement of Cash Flows (cont)
For the fiscal year ended June 30, 2003

	Fleet Operations	Equipment Operations	Risk Management	Total
Non-cash investing, capital and financing activities				
Capital assets acquired under capital lease	\$ 142,489	\$ -	\$ -	\$ 142,489
Net of non-cash assets and liabilities transferred to general fund	-	46,952	-	46,952
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 346,231	\$ -	\$ (218,811)	\$ 127,420
Adjustments to operating income (loss):				
Depreciation	640,888	-	-	640,888
Change in assets and liabilities:				
Inventory	(1,903)	-	-	(1,903)
Accounts payable	11,250	-	866	12,116
Payroll payable	21,746	-	-	21,746
Other accrued payables	-	-	227,304	227,304
Compensated absences	(1,102)	-	-	(1,102)
Total adjustments to operating income (loss)	670,879	-	228,170	899,049
Net cash provided by operating activities	\$ 1,017,110	\$ -	\$ 9,359	\$ 1,026,469

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STATISTICAL SECTION

CITY OF WEST JORDAN
General Governmental Expenditures by Function (1)
Last Ten Fiscal Years

TABLE 1

Fiscal Year	General Government	Public Safety	Police	Fire	Development Services	Community Development	Public Works	Parks, Recreation and Public Property	Debt Service	Totals
1994	\$ 2,397,643	\$ 4,868,592	\$ -	\$ -	\$ 876,355	\$ -	\$ 2,416,243	\$ 486,199	\$ -	\$ 11,045,032
1995	2,816,749	5,313,120	-	-	1,110,954	-	2,113,113	543,802	-	11,897,738
1996	3,625,961	6,435,620	-	-	1,365,479	-	2,313,732	648,234	-	14,389,026
1997	4,514,077	7,610,347	-	-	1,487,093	-	3,024,300	853,483	-	17,489,300
1998	4,320,158	8,880,689	-	-	1,471,376	-	2,834,288	951,632	-	18,458,143
1999	4,359,422	9,873,868	-	-	1,526,032	-	2,570,606	1,074,656	-	19,404,584
2000	5,380,417	11,007,650	-	-	1,540,987	-	3,108,465	1,270,004	-	22,307,523
2001	5,586,548	13,535,545	-	-	1,562,467	-	2,734,665	1,312,680	-	24,731,905
2002	6,317,722	13,387,880	-	-	1,382,840	-	8,635,398	1,558,638	648,018	31,930,496
2003	5,903,391	-	8,962,448	5,514,809	-	1,342,552	4,818,071	1,664,256	1,227,282	29,432,809

(1) Includes general and special revenue funds. As part of the implementation of GASB 34 in 2003, some of the functions have changed and the redevelopment agency is included with the special revenue funds.

CITY OF WEST JORDAN
General Governmental Revenues by Source (1)
Last Ten Fiscal Years

TABLE 2

Fiscal Year	Taxes	Licenses & Permits	Inter- Governmental	Charges for Services	Fines and Forfeitures	Miscellaneous	Totals
1994	\$ 7,260,456	\$ 759,453	\$ 901,491	\$ 479,793	\$ 373,330	\$ 301,685	\$ 10,076,208
1995	7,990,067	1,224,084	945,879	659,468	491,564	390,805	11,701,867
1996	8,755,609	2,031,474	1,042,702	2,580,802	597,951	444,566	15,453,104
1997	10,735,683	1,778,597	1,218,337	2,780,567	582,602	717,822	17,813,608
1998	11,936,737	2,196,384	1,843,003	2,610,949	799,499	510,281	19,896,853
1999	12,989,884	2,951,839	2,306,908	2,823,566	1,007,025	800,467	22,879,689
2000	14,255,758	2,373,582	2,315,110	2,789,215	1,188,218	980,544	23,902,427
2001	16,264,870	2,150,048	2,561,215	3,239,523	1,259,155	1,030,562	26,505,373
2002	19,997,092	1,447,216	3,250,250	3,256,379	1,405,207	598,085	29,954,229
2003	21,194,229	1,923,378	2,896,872	3,195,167	1,442,294	344,880	30,996,820

(1) Includes general and special revenue funds. As part of the implementation of GASB 34 in 2003, the redevelopment agency is included with the special revenue funds.

TABLE 3

CITY OF WEST JORDAN
General Governmental Tax Revenues by Source
Last Ten Fiscal Years (1)

Fiscal Year	General Property*	Sales Tax	Franchise Tax	Total
1994	\$ 1,814,194	\$ 4,176,521	\$ 1,269,741	\$ 7,260,456
1995	2,028,890	4,572,162	1,389,015	7,990,067
1996	2,234,988	5,098,953	1,421,668	8,755,609
1997	2,624,915	6,496,655	1,614,113	10,735,683
1998	3,949,805	6,075,692	1,911,240	11,936,737
1999	4,353,182	6,743,350	1,893,352	12,989,884
2000	4,560,128	7,752,399	1,943,231	14,255,758
2001	4,431,281	9,225,689	2,607,900	16,264,870
2002	7,303,365	9,449,453	3,244,274	19,997,092
2003	9,634,486	8,649,608	2,910,135	21,194,229

*Including penalties and interest

(1) Includes general and special revenue funds. As part of the implementation of GASB 34 in 2003, the redevelopment agency is included with the special revenue funds.

TABLE 4

CITY OF WEST JORDAN
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years (1)

Fiscal Year	Assessed Value	Estimated Actual Value	Ratio of Total Assessed Value to Total Estimated Actual Value
1994	\$ 951,697,228	\$ 1,359,567,469	70.00%
1995	1,255,723,451	1,793,890,644	70.00%
1996	1,455,378,195	2,079,111,707	70.00%
1997	1,539,816,473	2,199,737,819	70.00%
1998	1,607,515,782	2,296,451,118	70.00%
1999	1,753,573,920	2,505,105,600	70.00%
2000	2,036,053,281	2,908,647,544	70.00%
2001	2,407,894,022	3,929,972,290	61.27%
2002	2,647,019,329	4,453,262,667	59.44%
2003	2,737,626,127	4,572,617,550	59.87%

(1) All years preceding 2001 were based on estimated ratio of assessed to market value. Years following 2000 are estimated based on actual ratio of assessed to market value for the prior fiscal year.

Sources: Salt Lake County Auditors Office; Utah State Tax Commission

CITY OF WEST JORDAN
Property Tax Levies and Collections
Last Ten Fiscal Years

TABLE 5

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1994	\$ 1,586,319	\$ 1,487,491	93.77%	\$ 81,016	\$ 1,568,507	98.88%	\$ 76,065	4.80%
1995	1,762,510	1,665,219	94.48%	88,967	1,754,186	99.53%	69,716	3.96%
1996	1,909,111	1,822,246	95.45%	89,539	1,911,785	100.14%	67,549	3.54%
1997	2,211,801	2,121,338	95.91%	95,609	2,216,947	100.23%	167,828	7.59%
1998	3,378,547	3,247,122	96.11%	113,540	3,360,662	99.47%	109,757	3.25%
1999	3,704,862	3,567,041	96.28%	139,125	3,706,166	100.04%	118,259	3.19%
2000	4,013,369	3,855,804	96.07%	136,679	3,992,483	99.48%	138,953	3.46%
2001	4,940,754	4,695,678	95.04%	155,010	4,850,688	98.18%	197,434	4.00%
2002	6,537,928	6,267,205	95.86%	199,549	6,466,754	98.91%	233,222	3.57%
2003	6,750,625	6,471,095	95.86%	272,312	6,743,407	99.89%	225,841	3.35%

Source: County Assessor

TABLE 6

CITY OF WEST JORDAN
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	CITY OF WEST JORDAN			JORDAN SCHOOL DISTRICT		
	Operating	Debt Service	Total City	Operating	Debt Service	Total School
1994	0.002828	0.000000	0.002828	0.008108	0.001559	0.009667
1995	0.002346	0.000000	0.002346	0.005853	0.001409	0.007262
1996	0.002277	0.000000	0.002277	0.005151	0.001241	0.006392
1997	0.002413	0.000000	0.002143	0.004851	0.001653	0.006504
1998	0.002150	0.000000	0.002150	0.004801	0.001760	0.006561
1999	0.002198	0.000000	0.002198	0.005657	0.001925	0.007582
2000	0.002296	0.000000	0.002296	0.006957	0.001888	0.008845
2001	0.002483	0.000000	0.002483	0.006695	0.001729	0.008424
2002	0.002419	0.000000	0.002419	0.006560	0.001784	0.008344
2003	0.002466	0.000000	0.002466	0.006582	0.001784	0.008366

Fiscal Year	SALT LAKE COUNTY			Other	Total
	Operating	Debt Service	Total County		
1994	0.004726	0.000489	0.005215	0.000396	0.018106
1995	0.004462	0.000386	0.004848	0.000349	0.014805
1996	0.004309	0.000455	0.004764	0.000342	0.013775
1997	0.004143	0.000429	0.004572	0.000400	0.013619
1998	0.003398	0.000430	0.003828	0.000400	0.012957
1999	0.003538	0.000375	0.003913	0.000396	0.014089
2000	0.003546	0.000353	0.003899	0.000377	0.015417
2001	0.003356	0.000433	0.003789	0.000783	0.015479
2002	0.003261	0.000422	0.003683	0.000767	0.015213
2003	0.003283	0.000332	0.003615	0.000789	0.015236

Certified Tax Rate 1994-2003

CITY OF WEST JORDAN
Principal Taxpayers
June 30, 2003

TABLE 7

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Jordan Landing LLC	Retail	\$ 81,316,835	2.97%
Sysco Foods	Industrial	19,951,100	0.73%
CPI West Jordan	Retail	18,926,600	0.69%
Jordan Valley Hospital	Hospital	16,474,000	0.60%
Dannon Company Inc	Industrial	13,877,800	0.51%
Wal-Mart Stores	Retail	12,442,000	0.45%
Dana Commercial Credit	Industrial	11,259,400	0.41%
Grand Central Inc	Retail	10,294,700	0.38%
Broadmoor Village	Apartments	9,959,015	0.36%
Miller Westgate	Apartments	9,658,825	0.35%
TOTAL		<u>\$ 204,160,275</u>	<u>7.46%</u>

CITY OF WEST JORDAN
Sales Tax Revenue Bond Coverage
Last Ten Fiscal Years

TABLE 8

<u>Fiscal Year</u>	<u>Sales Tax Revenue</u>	<u>Debt Service Requirements</u>	<u>Coverage</u>
1994	\$ 4,176,521	\$ -	-
1995	4,572,162	-	-
1996	5,098,953	-	-
1997	6,496,655	-	-
1998	6,075,692	-	-
1999	6,743,350	-	-
2000	7,752,399	-	-
2001	9,225,688	-	-
2002	10,530,861	172,993	60.87
2003	10,422,430	1,824,335	5.71

CITY OF WEST JORDAN
Computation of Legal Debt Margin
June, 30 2003

TABLE 9

Estimated Market Value	\$ <u>4,572,617,550</u>
Legal Debt Margin:	
Debt Limitation 4% of Market Value	\$ <u>182,904,702</u>

The City has no general obligation debt outstanding at June 30, 2003

TABLE 10

CITY OF WEST JORDAN
Computation of Direct and Overlapping Bonded Debt
June 30, 2003

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable To West Jordan</u>	<u>Amount Applicable To West Jordan</u>
Direct:			
City of West Jordan	\$ -	100.00%	\$ -
Overlapping:			
Jordan School District	184,910,000	16.57%	30,639,587
Salt Lake County	<u>117,365,000</u>	5.52%	<u>6,478,548</u>
Total	<u>\$ 302,275,000</u>		<u>\$ 37,118,135</u>

TABLE 11

CITY OF WEST JORDAN
Revenue Bond Coverage
Water Fund
Last Ten Fiscal Years (1)

Fiscal Year	Gross Revenues(2)	Operating Expenses(3)	Net Revenue Available for Debt Service	Debt Service Requirements (4)			
				Principal	Interest	Total	Coverage
1994	\$ 5,552,965	3,727,997	1,824,968	-	-	-	-
1995	5,759,137	4,181,427	1,577,710	-	-	-	-
1996	6,546,501	5,587,845	958,656	-	-	-	-
1997	7,352,336	6,528,854	823,482	-	-	-	-
1998	7,519,719	7,127,479	392,240	-	-	-	-
1999	8,954,264	8,130,324	823,940	-	-	-	-
2000	10,158,308	9,076,015	1,082,293	-	-	-	-
2001	12,950,898	9,655,722	3,295,176	-	-	-	-
2002	11,714,058	10,435,964	1,278,094	-	-	-	-
2003	9,761,397	6,621,253	3,140,144	-	33,986	33,986	92.40

(1) Prior to 2003, amounts shown are for water and sewer combined.

(2) Total revenues (including interest and impact fees).

(3) Total operating expenses exclusive of depreciation.

(4) Includes principal and interest of revenue bonds only. During 2003, a new water bond was issued.

CITY OF WEST JORDAN
Demographic Statistics
Last Ten Fiscal Years

TABLE 12

<u>Year</u>	<u>Population</u>	<u>Housing Units</u>
1994	50,000 *	12,750
1995	55,000 *	13,500
1996	59,829 *	16,084
1997	64,211 *	17,777
1998	67,599 *	19,020
1999	71,039 *	20,544
2000	78,714 **	23,075
2001	81,619 *	23,721
2002	85,865 *	24,401
2003	87,969 *	25,535

GENERAL POPULATION CHARACTERISTICS
Year Ended June 30, 2003

Age and Lifestyle

Under 18 Years	41.6 %
65 Years and Over	3.2 %
Median Age = 25.0 Years	

Married-Couple Families	72.0 %
Owner-occupied homes	81.9 %
Median Family Income	\$55,563 **
Per Capita Income	\$19,268 **

- * Estimated
- ** US Census

Source: West Jordan City Economic Development Division

CITY OF WEST JORDAN
Surety Bonds of Principal Officers
Year Ended June 30, 2003

TABLE 13

<u>Name of Officer</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
David Zobell	Director of Finance	\$ 1,000,000
Larry Montgomery	City Treasurer	3,000,000

TABLE 14

CITY OF WEST JORDAN
Property Value, Construction and Bank Deposits
Last Ten Fiscal Years

Fiscal Year	(1) Assessed Property Value	(2) Construction	Commercial Construction		Residential Construction		(3) Bank Deposits
			Permits Issued	Value	Permits Issued	Value	
1994	\$ 951,697,228	\$ 77,321,879	181	\$ 7,144,381	1,117	\$ 70,120,339	
1995	1,255,723,451	99,109,457	137	17,546,296	1,107	81,563,162	
1996	1,455,378,195	129,619,452	168	16,181,910	1,513	113,437,542	
1997	1,539,816,473	121,115,180	196	22,403,207	1,399	98,711,973	
1998	1,607,515,782	155,144,756	219	31,285,658	1,243	123,859,098	
1999	1,753,573,920	232,053,479	255	68,001,388	1,524	164,052,091	
2000	2,036,053,281	210,417,208	310	98,299,643	1,468	112,117,565	
2001	2,407,894,022	157,910,472	437	59,052,161	811	98,858,311	
2002	2,647,019,329	131,284,876	241	54,197,560	864	77,087,316	
2003	2,737,626,127	148,758,325	339	37,875,390	1,162	110,882,935	

(1) Sources: Salt Lake County Auditor's Office and Utah State Tax Commission

(2) Based on building permits issued by the City's Building and Safety Department. Values are estimated construction costs.

(3) Utah is a branch banking state and deposit figures are currently available only on a state-wide basis.

CITY OF WEST JORDAN
Miscellaneous Statistics
Year Ended June 30, 2003

TABLE 15

	Date of Incorporation	1941	
	Date present form of government adopted	May 26, 1981	
	Form of government	Council/Manager	
Number of employees as of June 30, 2003:			
Full-time/permanent	351	Area in square miles	32.02
Seasonal/part-time	86	Miles of streets	325
Exempt (included in Full-time)	29	Number of street lights	3,605
Culture and Recreation:		Facilities and services not included in the reporting entity:	
Number of parks	29	Education:	
Miles of trails	2.3	Number of elementary schools	13
Number of acres	407	Number of middle schools	3
Number of tennis courts	10	Number of high schools	2
Number of rodeo arenas	1		
Number of softball diamonds	25		
Number of soccer fields	23		
Fire Protection:		Police Protection:	
Number of stations	4	Number of sworn officers	95
Number of fulltime firefighters	72	Number of other employees	106
		Number of vehicular patrol units	57
		Number of motorcycles	4
Municipal Election:			
Number of registered voters	37,558		
Percentage of registered voting in			
Last general election-2002	44.42%		
Last municipal election-2001	25.61%		

Principal Employers: *

Employer	Number of Employees
Jordan School District	1,905
Fairchild Semi-conductor	575
Sysco Intermountain Food Services	524
Wal-Mart	480
Jordan Valley Hospital	440
West Jordan City	419
Ream's	292
Sears	255
Macey's	250
Sam's Club	250
Gardner Historic Village	238
Smith's	208

* Source: West Jordan City Business License Division

TABLE 16

CITY OF WEST JORDAN
Schedule of Insurance in Force
Year Ended June 30, 2003

Type of Coverage/ Name of Company	Policy Number	Policy From	Period To	Details of Coverage	Liab. Limit (Thousands)	Premium
Comprehensive Gen. Liability, Utah Risk Management Mutual Association	Interlocal Agreement	July 1, 2002	July 1, 2003		\$ 6,000	\$ 272,534
				Bodily Injury	500/1,000	
				Prop. Damage	200	
				General Liab.	6,000	
				Pers.Inj.Liab	500/1,000	
				Error & Omission Liability	500/1,000	
Umbrella General Reinsurance	Contract	July 1, 2002	July 1, 2003	Excess	INCLUDED ABOVE	INCLUDED ABOVE
Off-Duty Vehicle Coverage American & Foreign	AST303235	July 1, 2002	July 1, 2003	Liability for Car per Officer/ Director program	1,000	23,086
Treasurers Bond Cincinnati Insurance	8454117	April 1, 2003	April 1, 2004	Surety Bond	3,000	2,475
Fin. Dir. Bond Cincinnati Insurance	8453655	April 1, 2003	April 1, 2004	Surety Bond	1,000	1,645
American & Foreign	ASV042824	July 1, 2002	July 1, 2003	Blanket Property	33,558	101,750
American & Foreign	ASV042824	July 1, 2002	July 1, 2003	Emergency Vehicles	4,537	INCLUDED ABOVE
American & Foreign	ASV042824	July 1, 2002	July 1, 2003	Physical Damage	25	INCLUDED ABOVE
Blanket Bond Hartford	34BPEBF0516	October 30, 2002	October 30, 2003	Surety Bond	100	3,292

CITY OF WEST JORDAN
Revenues for Class B and Class C Road Allocations by Source (1)
Last Eight Fiscal Years

TABLE 17

Fiscal Year	Motor Fuel Tax	Special Fuel Tax	Motor Vehicle Registration Fees	Proportional Registration Fees	Temporary Permits	
1996	\$ 163,169,000	\$ 43,735,000	\$ 22,610,000	\$ 7,338,000	\$ 419,000	
1997	168,414,000	46,344,000	23,975,000	7,941,000	401,000	
1998	217,682,000	72,404,000	25,490,000	9,482,000	400,000	
1999	224,691,000	73,699,000	24,886,000	10,627,000	386,000	
2000	237,574,000	76,590,000	25,848,000	12,203,000	372,000	
2001	229,410,000	80,590,000	25,935,000	11,554,000	409,000	
2002	237,925,000	84,406,000	27,378,000	11,665,000	401,000	
2003	236,639,000	84,523,000	28,359,000	11,838,000	397,000	

Fiscal Year	Special Transportation Permits	Highway Use Permits	Driver License	Motor Vehicle Control Fees	Restricted Sales Tax	Total
1996	\$ 5,481,000	\$ 3,971,000	\$ 8,918,000	\$ 3,683,000	N/A	\$ 259,324,000
1997	5,386,000	6,569,000	N/A	3,922,000	N/A	262,952,000
1998	5,589,000	6,755,000	N/A	4,019,000	16,193,903	358,014,903
1999	5,756,000	7,166,000	N/A	4,123,000	15,749,505	367,083,505
2000	5,678,000	5,778,000	N/A	4,173,000	19,394,219	387,610,219
2001	5,911,000	7,473,000	N/A	4,093,000	18,886,000	384,261,000
2002	5,831,000	8,000,000	N/A	4,167,000	31,235,000	411,008,000
2003	6,112,000	7,944,000	N/A	4,289,000	34,348,000	414,449,000

(1) Total revenue amounts deposited in the State Transportation Fund from which Class B and Class C road allocations are made.

Source: Utah Department of Transportation