



West Jordan Justice Center



West Jordan Fire Station 52

**"PRIDE IN PROGRESS"**

**CITY OF WEST JORDAN**  
**State of Utah**

**Comprehensive Annual  
Financial Report**

**Year Ended June 30, 2004**



**CITY OF WEST JORDAN**  
**STATE OF UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the fiscal year ended June 30, 2004

Prepared by:

Finance Department

CITY OF WEST JORDAN  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2004

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## INTRODUCTORY SECTION

November 29, 2004

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, 2004.

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 44, *Economic Condition Reporting: The Statistical Section-an amendment of NCGA Statement 1*. The statistical section is designed to present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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, 2004 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, 2004 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. The City has adopted a five-year capital facilities plan for funding capital improvements. 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.

The City is focusing resources on the expansion and enhancement of the area surrounding City Hall. this civic center area will include a new justice center located south of City Hall, a state court building located south west of City Hall, a new redevelopment area located east of City Hall on Redwood Road, and an expanded park located west of City Hall.

In July 2004, the City issued \$10,920,000 in general obligation bonds. A portion of the bond proceeds are being used to finance the construction of a new justice center located directly south of City Hall. The justice center will become the police station and also the new location for the city courts, currently located in City Hall. The City is also using bond proceeds to improve and landscape the main city park. The park is located west of City Hall.

A state court building is currently being constructed to the southwest of City Hall. The building will eventually be home to over 200 employees and is expected to be completed in the spring of 2005. The building will bring additional people to the civic center area.

The City has created the Briarwood/Downtown Redevelopment Area. The project, located east of City Hall on Redwood Road will eventually be a mixed-use transit oriented development co-located with a planned TRAX Station.

**Long-term financial planning.** The long-term financial plan for the City is very favorable. The City's general fund remains healthy, adding to fund balance regularly. The City has taken advantage of low interest rates to finance capital improvements to support development within the City. Maintaining and expanding infrastructure to support growth remains one of the City's greatest challenges. The City incorporates a detailed capital facilities plan in its annual budget which addresses the funding of roads, parks, storm sewer, water, and sewer projects. In the future the City will expand the capital facilities plan to include ten future years.

The City is well under its legal debt margin. Following the end of fiscal year 2004, the City issued general obligation bonds to fund capital projects. The City also issued water revenue bonds to fund the replacement of City water meters with radio read meters. The new meters will be read remotely by driving through City neighborhoods. This will improve the accuracy and timeliness of meter readings and also reduce the risk of opening meter lids monthly to read meters.

**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 does 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, 2003. This was the twenty third 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 2004. 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, 2003

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, appearing to read "Edward Haney".

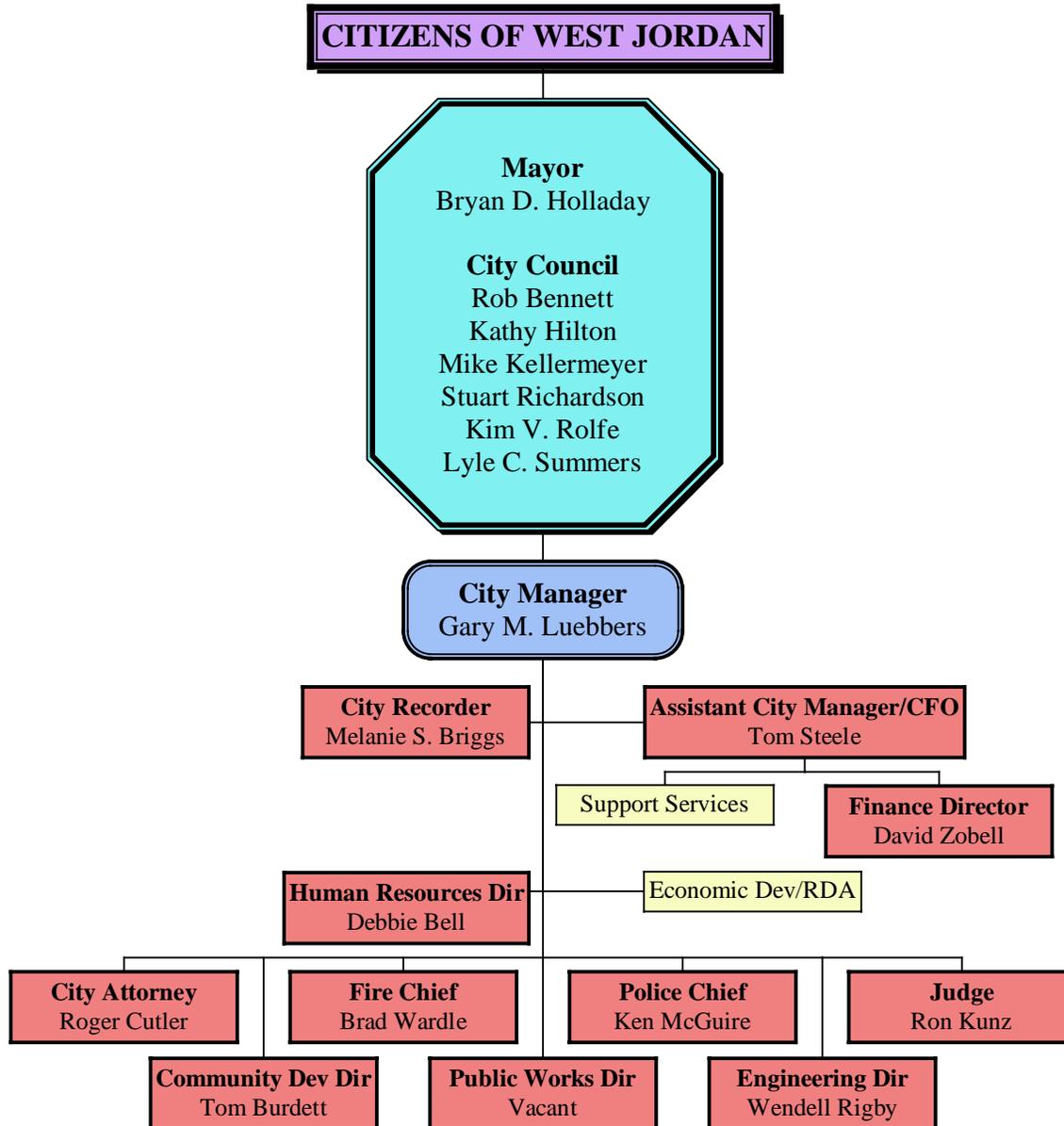
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Approved by:  
Date:

# CITY OF WEST JORDAN ORGANIZATIONAL STRUCTURE



**CITY OF WEST JORDAN**  
List of Principal Officials  
June 30, 2004

| Title                          | Name                |
|--------------------------------|---------------------|
| Mayor                          | Bryan D.Holladay    |
| Council Member                 | Rob Bennett         |
| Council Member                 | Mike Kellermeyer    |
| Council Member                 | Kathy Hilton        |
| Council Member                 | Kim Rolfe           |
| 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, 2004, 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and the Redevelopment Agency fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2004 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal

control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted 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 nonmajor 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 nonmajor 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.

*Ostrome Robbins & Bahler PLLC*

October 26, 2004

## 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, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$ 388,552,401. Of this amount, \$59,714,892 (*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 \$20,147,251 during 2004. The increase in net assets can be attributed to contributions of infrastructure from developers and an increase in impact fee revenues.
- The unreserved fund balance for the general fund was \$7,956,711, or approximately 25 percent of total general fund expenditures. The unreserved fund balance for the general fund increased by \$1,961,730 from the previous year.
- The City's total outstanding debt experienced a net decrease of \$2,624,611. The decrease was primarily due principal payments made as a part of the City's debt service requirement.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City'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'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, three major funds and three non-major 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, the redevelopment agency, and the capital improvements fund which are considered major funds. Financial information for the other three 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 30-34 of this report. The City adopts an annual appropriated budget for its general fund and the redevelopment agency. Budgetary comparison statements have been provided for the general fund and the redevelopment agency to demonstrate compliance with these budgets.

***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 fund, sewer fund, and the solid waste fund which are all considered major funds. 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 35-38 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, 2004, the City's assets exceeded liabilities by \$388,552,401. 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          |                       | Business-type         |                      | Total                 |                       |
|---|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|
|   | Activities            |                       | Activities            |                      |                       |                       |
|   | 2004                  | 2003                  | 2004                  | 2003                 | 2004                  | 2003                  |
| Current and other assets                        | \$ 49,700,220         | \$ 45,218,608         | \$ 30,790,162         | \$ 27,097,397        | \$ 80,490,382         | \$ 72,316,005         |
| Capital assets                                  | <u>267,131,574</u>    | <u>264,069,782</u>    | <u>87,815,486</u>     | <u>79,787,844</u>    | <u>354,947,060</u>    | <u>343,857,626</u>    |
| Total assets                                    | <u>316,831,794</u>    | <u>309,288,390</u>    | <u>118,605,648</u>    | <u>106,885,241</u>   | <u>435,437,442</u>    | <u>416,173,631</u>    |
| Other liabilities                               | 5,725,318             | 4,511,695             | 1,968,958             | 1,463,228            | 7,694,276             | 5,974,923             |
| Long-term liabilities outstanding               | <u>28,965,195</u>     | <u>31,410,215</u>     | <u>10,225,570</u>     | <u>10,383,343</u>    | <u>39,190,765</u>     | <u>41,793,558</u>     |
| Total liabilities                               | <u>34,690,513</u>     | <u>35,921,910</u>     | <u>12,194,528</u>     | <u>11,846,571</u>    | <u>46,885,041</u>     | <u>47,768,481</u>     |
| Net assets:                                     |                       |                       |                       |                      |                       |                       |
| Invested in capital assets, net of related debt | 240,135,688           | 234,412,518           | 77,494,004            | 69,287,844           | 317,629,692           | 303,700,362           |
| Restricted                                      | 7,265,197             | 5,695,208             | 3,942,620             | 400,321              | 11,207,817            | 6,095,529             |
| Unrestricted                                    | <u>34,740,396</u>     | <u>33,258,754</u>     | <u>24,974,496</u>     | <u>25,350,505</u>    | <u>59,714,892</u>     | <u>58,609,258</u>     |
| Total net assets                                | <u>\$ 282,141,281</u> | <u>\$ 273,366,480</u> | <u>\$ 106,411,120</u> | <u>\$ 95,038,670</u> | <u>\$ 388,552,401</u> | <u>\$ 368,405,150</u> |

An additional portion of the net assets (2.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$59,714,892) is available to meet the government's ongoing obligations to citizens and creditors.

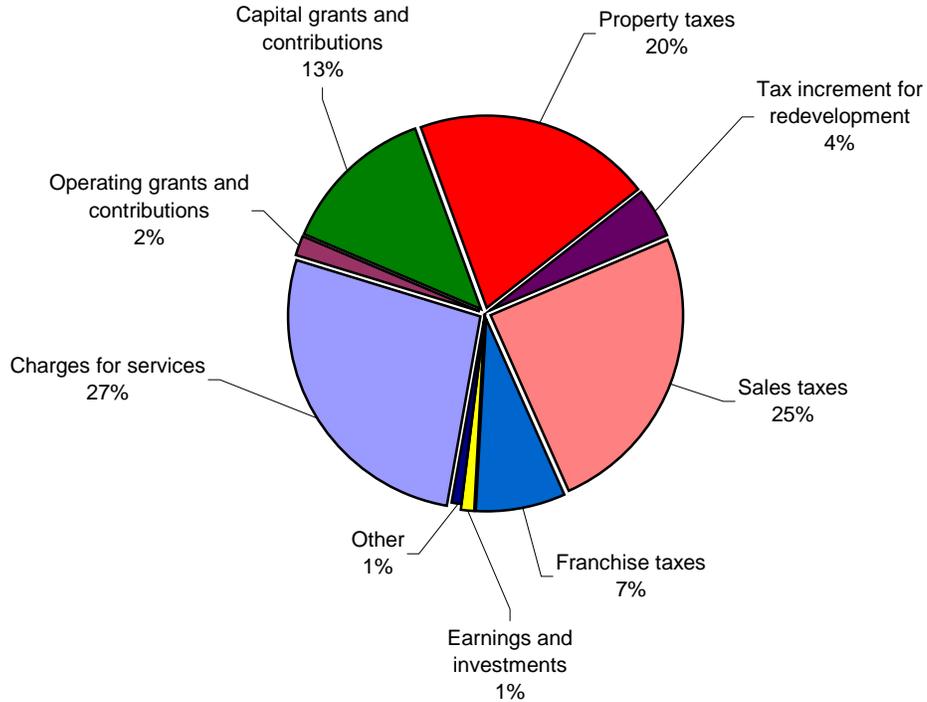
**Governmental activities.** Governmental activities increased the City's net assets by \$8,774,801 accounting for 44 percent of the total growth in net assets. Key elements of this increase are as follows:

- Capital grants and contributions totaled \$5,912,065, mostly consisting of donated capital assets. As new subdivisions are completed, sidewalk, storm sewer, and roads become the property of the City to maintain.
- Charges for services increased \$2,394,519 from the prior year. This increase is attributable to an increase in impact fees and also building permit fees. Both these fees are related to expanding growth, both commercial and residential, within the City.

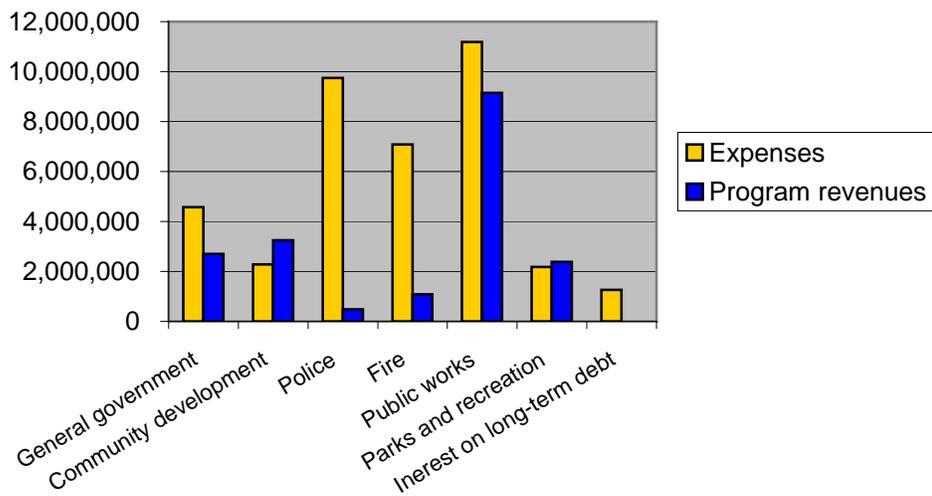
City of West Jordan Changes in Net Assets

|   | Governmental<br>Activities |                       | Business-type<br>Activities |                      | Total                 |                       |
|---|----------------------------|-----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
|   | 2004                       | 2003                  | 2004                        | 2003                 | 2004                  | 2003                  |
| Revenues:                               |                            |                       |                             |                      |                       |                       |
| Program revenues:                       |                            |                       |                             |                      |                       |                       |
| Charges for services                    | \$ 12,311,225              | \$ 9,916,706          | \$ 21,863,299               | \$ 17,185,576        | \$ 34,174,524         | \$ 27,102,282         |
| Operating grants and contributions      | 830,090                    | 900,802               | -                           | -                    | 830,090               | 900,802               |
| Capital grants and contributions        | 5,912,065                  | 30,819,544            | 6,832,403                   | 4,188,463            | 12,744,468            | 35,008,007            |
| General revenues:                       |                            |                       |                             |                      |                       |                       |
| Property taxes                          | 8,257,155                  | 9,014,489             | -                           | -                    | 8,257,155             | 9,014,489             |
| Sales tax                               | 11,406,021                 | 10,422,430            | -                           | -                    | 11,406,021            | 10,422,430            |
| Other taxes                             | 6,173,037                  | 5,775,802             | -                           | -                    | 6,173,037             | 5,775,802             |
| Other                                   | 2,147,419                  | 994,837               | (534,145)                   | 374,352              | 1,613,274             | 1,369,189             |
| Total revenues                          | <u>47,037,012</u>          | <u>67,844,610</u>     | <u>28,161,557</u>           | <u>21,748,391</u>    | <u>75,198,569</u>     | <u>89,593,001</u>     |
| Expenses:                               |                            |                       |                             |                      |                       |                       |
| General government                      | 4,578,769                  | 5,114,827             | -                           | -                    | 4,578,769             | 5,114,827             |
| Community development                   | 2,284,598                  | 1,851,575             | -                           | -                    | 2,284,598             | 1,851,575             |
| Police                                  | 9,741,809                  | 9,100,682             | -                           | -                    | 9,741,809             | 9,100,682             |
| Fire                                    | 7,081,016                  | 5,629,061             | -                           | -                    | 7,081,016             | 5,629,061             |
| Public works                            | 11,180,441                 | 10,211,767            | -                           | -                    | 11,180,441            | 10,211,767            |
| Parks and recreation                    | 2,175,055                  | 2,207,450             | -                           | -                    | 2,175,055             | 2,207,450             |
| Interest on long-term debt              | 1,257,289                  | 1,353,890             | -                           | -                    | 1,257,289             | 1,353,890             |
| Water                                   | -                          | -                     | 9,837,122                   | 8,199,703            | 9,837,122             | 8,199,703             |
| Sewer                                   | -                          | -                     | 4,255,135                   | 4,645,292            | 4,255,135             | 4,645,292             |
| Solid waste                             | -                          | -                     | 2,660,084                   | 2,225,315            | 2,660,084             | 2,225,315             |
| Total expenses                          | <u>38,298,977</u>          | <u>35,469,252</u>     | <u>16,752,341</u>           | <u>15,070,310</u>    | <u>55,051,318</u>     | <u>50,539,562</u>     |
| Increase in net assets before transfers | 8,738,035                  | 32,375,358            | 11,409,216                  | 6,678,081            | 20,147,251            | 39,053,439            |
| Transfers                               | <u>36,766</u>              | <u>(300,000)</u>      | <u>(36,766)</u>             | <u>300,000</u>       | <u>-</u>              | <u>-</u>              |
| Increase in net assets                  | 8,774,801                  | 32,075,358            | 11,372,450                  | 6,978,081            | 20,147,251            | 39,053,439            |
| Net assets, beginning                   | <u>273,366,480</u>         | <u>241,291,122</u>    | <u>95,038,670</u>           | <u>88,060,589</u>    | <u>368,405,150</u>    | <u>329,351,711</u>    |
| Net assets, ending                      | <u>\$ 282,141,281</u>      | <u>\$ 273,366,480</u> | <u>\$ 106,411,120</u>       | <u>\$ 95,038,670</u> | <u>\$ 388,552,401</u> | <u>\$ 368,405,150</u> |

### Revenues by Source-Governmental Activities 2004

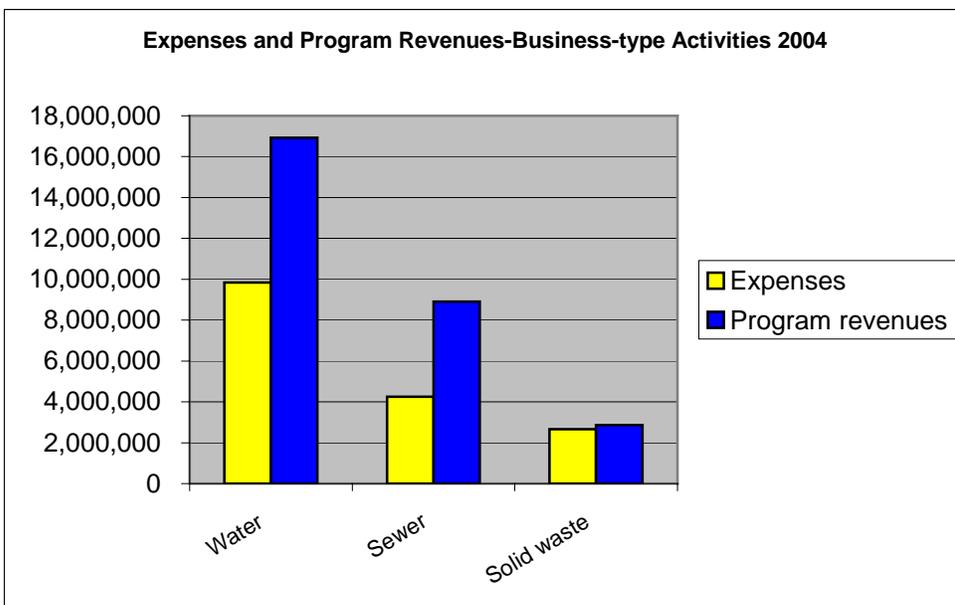
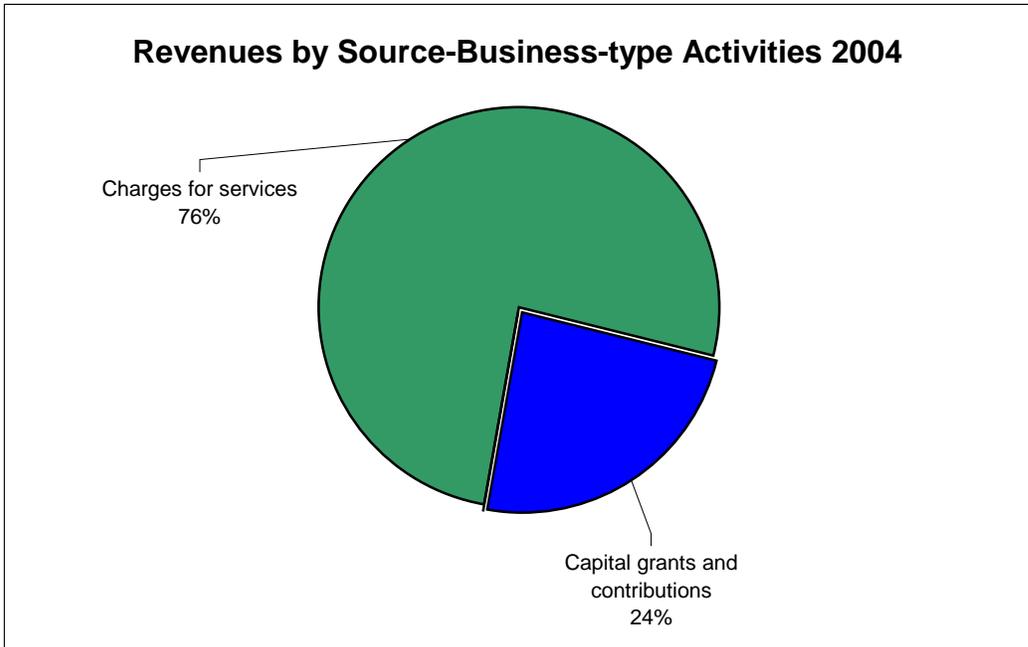


### Expenses and Program Revenues-Governmental Activities 2004



**Business-type activities.** Business-type activities increased the City's net assets by \$11,372,450 accounting for 56 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 \$6,832,403 of capital grants and contributions. These contributions represent capital assets donated to the City by developers.
- Impact fees collected by the Water and Sewer fund increased by \$3,267,381 over 2003. 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 \$27,793,919 an increase of \$2,086,471 in comparison with prior year. Of the ending fund balance 51 percent (\$14,158,770) 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 (\$2,797,371), 2) to pay for construction funded by bond proceeds (\$3,449,732), 3) to fund the construction and improvement of class "C" roads (\$3,632,782), 4) to pay for capital expansion funded by impact fees (\$3,632,415), 5) for a variety of other purposes (\$122,849).

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 \$7,956,711 while total fund balance reached \$12,049,884. 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 25 percent of total general fund expenditures, while total fund balance represents 38 percent of that same amount.

The City's total general fund balance experienced a \$1,716,352 increase during the current fiscal year. The increase is due to an excess of revenues over expenditures in the current year. Expenditures were approximately 11 percent less the budgeted amount. Unreserved fund balance increased \$1,961,730 in comparison with prior year. These funds are available to spend at the City's discretion.

The redevelopment agency fund has a fund balance of \$1,565,966 and experienced very little change from the previous year. The redevelopment agency did finance payment to a developer for capital improvements but this did not affect fund balance.

The capital improvements fund has a total fund balance of \$12,616,563, of that amount \$8,537,840 is reserved for 1) construction funded by bond proceeds (\$3,449,732), 2) capital expansion funded by impact fees (\$3,632,415), 3) debt service (\$1,455,693). The capital improvements fund unreserved fund balance increased \$1,319,468 from the previous year. The sale of land generated revenue of \$2,012,953. These funds will be available for use at the City's discretion for future capital projects.

**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 \$7,264,533, \$13,279,927, and \$4,406,992 respectively. Unrestricted net assets in the proprietary funds remained relatively unchanged from the previous year. Restricted net assets increased by \$2,371,202 in the water fund and \$1,171,097 in the sewer fund due to impact fees collected but unexpended at year end. The total decrease in unrestricted net assets for the Solid Waste fund was \$256,047. The City increased the user fee for garbage and recycling pick up. The increase in fees will assist in funding the lease for the purchase of new recycling bins. The new recycling bins will facilitate the automation of recycling pickup. 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 (\$2,591,758 increase in appropriations) and can be briefly summarized as follows.

- \$1,576,733 in increases in public works, \$1,547,733 allocated for class "C" road projects, and 30,000 in engineering to fund additional salaries.
- \$209,770 in increases allocated to community development to fund salaries for additional part-time building inspectors.
- \$173,902 in increased in fire for equipment purchases funded by grants.
- \$160,184 in increases in general government, \$2,000 in boards and commissions, \$86,184 for computer related improvements, \$22,000 in facilities to improve ventilation at the public works facility, \$25,000 in attorneys to fund a part-time prosecutor, and \$25,000 in nondepartmental for training.
- \$109,800 in increases in police line services. The increases were made to accommodate equipment purchases funded by grants.
- \$361,369 increase in transfers out to the capital projects fund. This transfer was budgeted to use excess fund balance in the general fund.

Of this increase, \$532,472 was to be funded out of miscellaneous increases in revenues and the remaining \$2,059,286 was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates and the City experienced an increase in fund balance.

### **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, 2004 amounts to \$354,967,060 (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 3 percent

(a 1 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 \$2,565,598. 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 \$10,405,854 on capital expansion throughout the City. Two new fire stations were completed and the City completed various parks, storm sewer projects, and water and sewer projects.
- The City has open construction projects at year end. The uncompleted balance remaining on the open contracts was approximately \$21,400,000. Open contracts include construction of a new justice center, landscaping of the City's main park, construction of a new road south of City Hall, and a major storm sewer project.
- 

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

#### City of West Jordan's Outstanding Debt

|  | Governmental<br>Activities |                      | Business-type<br>Activities |                      | Total                |                      |
|--|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
|  | 2004                       | 2003                 | 2004                        | 2003                 | 2004                 | 2003                 |
| Revenue bonds                                | \$ 23,220,000              | \$ 24,625,000        | \$ 9,600,000                | \$ 10,500,000        | \$ 32,820,000        | \$ 35,125,000        |
| Tax increment notes payable to<br>developers | 1,642,147                  | 2,677,333            | -                           | -                    | 1,642,147            | 2,677,333            |
| Other liabilities                            | 3,849,309                  | 3,707,951            | 100,452                     | 101,525              | 3,949,761            | 3,809,476            |
| Capital leases                               | 253,739                    | 399,931              | 721,482                     | -                    | 975,221              | 399,931              |
| <b>Total</b>                                 | <b>\$ 28,965,195</b>       | <b>\$ 31,410,215</b> | <b>\$ 10,421,934</b>        | <b>\$ 10,601,525</b> | <b>\$ 39,387,129</b> | <b>\$ 42,011,740</b> |

**Long-term debt.** At the end of the current fiscal year, the City had \$39,387,129 in outstanding long-term debt.

The City's total debt (including compensated absences and other long-term liabilities) decreased by \$2,624,611 during the current fiscal year. The decrease is due to principal payments made by the City during the year. 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, 2004. 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 \$182,740,795.

## **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 was projected to increase approximately 8 percent for fiscal year 2005. For fiscal year 2005 the City will collect sales tax revenue from a new Kohl's department store opened October and located in the Jordan Landing regional retail center. Other new retail establishment in the Jordan Landing area include Bed Bath and Beyond and Pier 1 Imports. Total taxes within the general fund were budgeted to increase approximately 7 percent for fiscal year 2005.

The City increased the garbage and recycling rates charged to City residents. The rate increased was implemented to fund a green waste pickup program. The rate increased from \$8.04 per month to \$10.88 per month beginning January 2004. The City is in the process of reviewing a storm sewer user fee that would be charged to residential and commercial customers for the purpose of maintaining the City's storm sewer infrastructure. The City Council will discuss the fee and will hold a public hearing prior to adopting such a user fee.

## **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, 2004

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>          |
|--|------------------------------------|-------------------------------------|-----------------------|
| <b><u>Assets</u></b>   |                                    |                                     |                       |
| Cash and cash equivalents  | \$ 22,165,288                      | \$ 3,441,825                        | \$ 25,607,113         |
| Accounts receivable  | 44,598                             | 1,362,487                           | 1,407,085             |
| Taxes receivable   | 13,198,068                         | -                                   | 13,198,068            |
| Other receivable   | 16,753                             | 562,692                             | 579,445               |
| Internal balances  | (1,296,500)                        | 1,296,500                           | -                     |
| Intergovernmental receivable                                       | 571,769                            | -                                   | 571,769               |
| Prepaid expenses   | 113,384                            | -                                   | 113,384               |
| Inventory  | 67,457                             | 72,599                              | 140,056               |
| Water stock  | -                                  | 278,437                             | 278,437               |
| Investment in joint ventures                                       | -                                  | 15,438,844                          | 15,438,844            |
| Restricted assets:   |                                    |                                     |                       |
| Cash and cash equivalents  | 14,819,403                         | 8,336,778                           | 23,156,181            |
| Capital assets not being depreciated                               | 116,148,840                        | 437,901                             | 116,586,741           |
| Capital assets being depreciated (net of accumulated depreciation) | <u>150,982,734</u>                 | <u>87,377,585</u>                   | <u>238,360,319</u>    |
| Total assets   | <u>316,831,794</u>                 | <u>118,605,648</u>                  | <u>435,437,442</u>    |
| <b><u>Liabilities</u></b>  |                                    |                                     |                       |
| Accounts payable   | 889,206                            | 1,319,776                           | 2,208,982             |
| Interest payable   | 285,516                            | -                                   | 285,516               |
| Payroll payable  | 697,912                            | 113,911                             | 811,823               |
| Deferred revenue   | 36,196                             | -                                   | 36,196                |
| Advances from developer  | 319,911                            | -                                   | 319,911               |
| Contracts payable  | 1,174,768                          | 482,115                             | 1,656,883             |
| Deposits   | 1,700,759                          | 53,156                              | 1,753,915             |
| Other payables   | 621,050                            | -                                   | 621,050               |
| Long-term liabilities:   |                                    |                                     |                       |
| Portion due or payable within one year                             |                                    |                                     |                       |
| Compensated absences   | 1,307,817                          | 70,961                              | 1,378,778             |
| Bonds payable  | 2,305,000                          | 1,000,000                           | 3,305,000             |
| Capital leases   | 164,764                            | 137,954                             | 302,718               |
| Contracts payable  | 80,000                             | -                                   | 80,000                |
| Tax increment notes payable to developer                           | 43,000                             | -                                   | 43,000                |
| Portion due or payable after one year                              |                                    |                                     |                       |
| Compensated absences   | 661,492                            | 29,491                              | 690,983               |
| Bonds payable  | 20,915,000                         | 8,600,000                           | 29,515,000            |
| Unamortized bond issuance costs                                    | -                                  | (196,364)                           | (196,364)             |
| Capital leases   | 88,975                             | 583,528                             | 672,503               |
| Contracts payable  | 1,800,000                          | -                                   | 1,800,000             |
| Tax increment notes payable to developer                           | <u>1,599,147</u>                   | <u>-</u>                            | <u>1,599,147</u>      |
| Total liabilities  | <u>34,690,513</u>                  | <u>12,194,528</u>                   | <u>46,885,041</u>     |
| <b><u>Net Assets</u></b>   |                                    |                                     |                       |
| Invested in capital assets, net of related debt                    | 240,135,688                        | 77,494,004                          | 317,629,692           |
| Restricted for:  |                                    |                                     |                       |
| Class "C" roads  | 3,632,782                          | -                                   | 3,632,782             |
| Construction   | 3,632,415                          | 3,965,664                           | 7,598,079             |
| Unrestricted   | <u>34,740,396</u>                  | <u>24,951,452</u>                   | <u>59,691,848</u>     |
| Total net assets   | <u>\$ 282,141,281</u>              | <u>\$ 106,411,120</u>               | <u>\$ 388,552,401</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, 2004

| 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                       | \$ 4,578,769         | \$ 2,074,621         | \$ 631,178                         | \$ -                             | \$ (1,872,970)                                  | \$ -                     | \$ (1,872,970)        |
| Community development                    | 2,284,598            | 3,047,506            | -                                  | 200,000                          | 962,908   | -                        | 962,908               |
| Police                                   | 9,741,809            | 364,893              | 121,156                            | -                                | (9,255,760)                                     | -                        | (9,255,760)           |
| Fire                                     | 7,081,016            | 1,010,853            | 75,756                             | -                                | (5,994,407)                                     | -                        | (5,994,407)           |
| Public works                             | 11,180,441           | 3,434,542            | -                                  | 5,712,065                        | (2,033,834)                                     | -                        | (2,033,834)           |
| Parks and recreation                     | 2,175,055            | 2,378,810            | 2,000                              | -                                | 205,755   | -                        | 205,755               |
| Interest on long-term debt               | 1,257,289            | -                    | -                                  | -                                | (1,257,289)                                     | -                        | (1,257,289)           |
| Total governmental activities            | <u>38,298,977</u>    | <u>12,311,225</u>    | <u>830,090</u>                     | <u>5,912,065</u>                 | <u>(19,245,597)</u>                             | <u>-</u>                 | <u>(19,245,597)</u>   |
| Business-type activities:                |                      |                      |                                    |                                  |   |                          |                       |
| Water                                    | 9,837,122            | 12,453,320           | -                                  | 4,470,512                        | -   | 7,086,710                | 7,086,710             |
| Sewer                                    | 4,255,135            | 6,544,882            | -                                  | 2,361,891                        | -   | 4,651,638                | 4,651,638             |
| Solid waste                              | 2,660,084            | 2,865,097            | -                                  | -                                | -   | 205,013                  | 205,013               |
| Total business-type activities:          | <u>16,752,341</u>    | <u>21,863,299</u>    | <u>-</u>                           | <u>6,832,403</u>                 | <u>-</u>  | <u>11,943,361</u>        | <u>11,943,361</u>     |
| Total City of West Jordan                | <u>\$ 55,051,318</u> | <u>\$ 34,174,524</u> | <u>\$ 830,090</u>                  | <u>\$ 12,744,468</u>             | <u>\$ (19,245,597)</u>                          | <u>11,943,361</u>        | <u>(7,302,236)</u>    |
| General revenues:                        |                      |                      |                                    |                                  |   |                          |                       |
| Taxes:                                   |                      |                      |                                    |                                  |   |                          |                       |
| Property taxes                           |                      |                      |                                    |                                  | 8,257,155                                       | -                        | 8,257,155             |
| Tax increments for redevelopment agency  |                      |                      |                                    |                                  | 1,864,268                                       | -                        | 1,864,268             |
| Sales taxes                              |                      |                      |                                    |                                  | 11,406,021                                      | -                        | 11,406,021            |
| Franchise taxes                          |                      |                      |                                    |                                  | 3,398,841                                       | -                        | 3,398,841             |
| Fee-in-lieu of property taxes            |                      |                      |                                    |                                  | 909,928   | -                        | 909,928               |
| Equity income (loss) from joint ventures |                      |                      |                                    |                                  | -   | (652,986)                | (652,986)             |
| Gain on sale of capital assets           |                      |                      |                                    |                                  | 1,267,537                                       | -                        | 1,267,537             |
| Earnings on investments                  |                      |                      |                                    |                                  | 482,850   | 118,841                  | 601,691               |
| Miscellaneous                            |                      |                      |                                    |                                  | 397,032   | -                        | 397,032               |
| Transfers                                |                      |                      |                                    |                                  | 36,766  | (36,766)                 | -                     |
| Total general revenues and transfers     |                      |                      |                                    |                                  | <u>28,020,398</u>                               | <u>(570,911)</u>         | <u>27,449,487</u>     |
| Changes in net assets                    |                      |                      |                                    |                                  | 8,774,801                                       | 11,372,450               | 20,147,251            |
| Net assets-beginning                     |                      |                      |                                    |                                  | <u>273,366,480</u>                              | <u>95,038,670</u>        | <u>368,405,150</u>    |
| Net assets-ending                        |                      |                      |                                    |                                  | <u>\$ 282,141,281</u>                           | <u>\$ 106,411,120</u>    | <u>\$ 388,552,401</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, 2004

|                                     | General              | Redevelopment<br>Agency | Capital<br>Improvement | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-------------------------------------|----------------------|-------------------------|------------------------|--------------------------------|--------------------------------|
| <b>Assets</b>                       |                      |                         |                        |                                |                                |
| Cash and cash equivalents           | \$ 6,666,906         | \$ 1,501,049            | \$ 6,244,465           | \$ 769,723                     | \$ 15,182,143                  |
| Accounts receivable                 | 44,598               | -                       | -                      | -                              | 44,598                         |
| Taxes receivable                    | 10,234,111           | 1,611,136               | 1,352,714              | 107                            | 13,198,068                     |
| Other receivable                    | 16,753               | -                       | -                      | -                              | 16,753                         |
| Prepaid expenditures                | -                    | -                       | -                      | 113,384                        | 113,384                        |
| Inventory                           | 9,465                | -                       | -                      | -                              | 9,465                          |
| Due from other funds                | 40,970               | -                       | -                      | -                              | 40,970                         |
| Due from other governments          | -                    | -                       | 571,769                | -                              | 571,769                        |
| Restricted assets-                  |                      |                         |                        |                                |                                |
| Cash and cash equivalents           | 5,390,811            | 100,278                 | 8,537,840              | 790,474                        | 14,819,403                     |
| Total assets                        | <u>22,403,614</u>    | <u>3,212,463</u>        | <u>16,706,788</u>      | <u>1,673,688</u>               | <u>43,996,553</u>              |
| <b>Liabilities and fund balance</b> |                      |                         |                        |                                |                                |
| <b>Liabilities:</b>                 |                      |                         |                        |                                |                                |
| Accounts payable                    | 498,828              | 33,623                  | 246,454                | 35,016                         | 813,921                        |
| Advances from developer             | -                    | -                       | 319,911                | -                              | 319,911                        |
| Payroll payable                     | 668,227              | 1,738                   | 2,692                  | -                              | 672,657                        |
| Deferred revenue                    | 7,345,784            | 1,611,136               | 1,046,300              | 36,196                         | 10,039,416                     |
| Deposits                            | 1,700,759            | -                       | -                      | -                              | 1,700,759                      |
| Other payables                      | 140,132              | -                       | 3,600                  | -                              | 143,732                        |
| Contracts payable                   | -                    | -                       | 1,174,768              | -                              | 1,174,768                      |
| Due to other funds                  | -                    | -                       | 1,296,500              | 40,970                         | 1,337,470                      |
| Total liabilities                   | <u>10,353,730</u>    | <u>1,646,497</u>        | <u>4,090,225</u>       | <u>112,182</u>                 | <u>16,202,634</u>              |
| <b>Fund balance:</b>                |                      |                         |                        |                                |                                |
| <b>Reserved:</b>                    |                      |                         |                        |                                |                                |
| For inventory                       | 9,465                | -                       | -                      | -                              | 9,465                          |
| For class "C" roads                 | 3,632,782            | -                       | -                      | -                              | 3,632,782                      |
| For debt service                    | 450,926              | 100,278                 | 1,455,693              | 790,474                        | 2,797,371                      |
| For construction                    | -                    | -                       | 3,449,732              | -                              | 3,449,732                      |
| For park impact                     | -                    | -                       | 1,315,466              | -                              | 1,315,466                      |
| For road impact                     | -                    | -                       | 1,181,438              | -                              | 1,181,438                      |
| For storm sewer                     | -                    | -                       | 1,135,511              | -                              | 1,135,511                      |
| For prepaid expenditures            | -                    | -                       | -                      | 113,384                        | 113,384                        |
| Unreserved                          | 7,956,711            | 1,465,688               | 4,078,723              | -                              | 13,501,122                     |
| Unreserved, reported in nonmajor:   |                      |                         |                        |                                |                                |
| Capital projects funds              | -                    | -                       | -                      | 767,420                        | 767,420                        |
| Special revenue funds               | -                    | -                       | -                      | (109,772)                      | (109,772)                      |
| Total fund balances                 | <u>12,049,884</u>    | <u>1,565,966</u>        | <u>12,616,563</u>      | <u>1,561,506</u>               | <u>27,793,919</u>              |
| Total liabilities and fund balances | <u>\$ 22,403,614</u> | <u>\$ 3,212,463</u>     | <u>\$ 16,706,788</u>   | <u>\$ 1,673,688</u>            |                                |

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.  | 267,131,574           |
| 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.   | 10,003,220            |
| 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. | 6,463,279             |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds  | (28,965,195)          |
| Interest payable on long-term obligations does not require current financial resources and is not reported in the governmental funds   | (285,516)             |
| Net assets of governmental activities  | <u>\$ 282,141,281</u> |

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, 2004

|  | General              | Redevelopment<br>Agency | Capital<br>Improvements | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|----------------------|-------------------------|-------------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>  |                      |                         |                         |                                |                                |
| Taxes  | \$ 21,220,735        | \$ 1,864,268            | \$ 1,818,675            | \$ 7,351                       | \$ 24,911,029                  |
| Licenses and permits   | 2,777,196            | -                       | -                       | -                              | 2,777,196                      |
| Intergovernmental  | 3,329,051            | -                       | 794,735                 | -                              | 4,123,786                      |
| Charges for services   | 3,807,052            | -                       | -                       | 112,517                        | 3,919,569                      |
| Fines and forfeitures  | 1,822,690            | -                       | -                       | -                              | 1,822,690                      |
| Impact fees  | -                    | -                       | 5,512,123               | -                              | 5,512,123                      |
| Interest   | 155,212              | 21,387                  | 211,761                 | 15,446                         | 403,806                        |
| Miscellaneous  | 129,942              | -                       | 266,920                 | -                              | 396,862                        |
| Total revenues   | <u>33,241,878</u>    | <u>1,885,655</u>        | <u>8,604,214</u>        | <u>135,314</u>                 | <u>43,867,061</u>              |
| <b>Expenditures</b>  |                      |                         |                         |                                |                                |
| <b>Current:</b>  |                      |                         |                         |                                |                                |
| General government   | 6,382,793            | -                       | -                       | -                              | 6,382,793                      |
| Community Development  | 1,543,823            | 343,010                 | 383,068                 | -                              | 2,269,901                      |
| Police   | 9,608,342            | -                       | -                       | -                              | 9,608,342                      |
| Fire   | 6,546,501            | -                       | 67,696                  | -                              | 6,614,197                      |
| Public works   | 5,524,798            | -                       | 47,443                  | -                              | 5,572,241                      |
| Parks, recreation, and public property                       | 1,410,458            | -                       | -                       | 154,965                        | 1,565,423                      |
| <b>Debt service:</b>   |                      |                         |                         |                                |                                |
| Principal payments   | 251,877              | 1,370,186               | 1,503,123               | 390,000                        | 3,515,186                      |
| Interest and fiscal charges                                  | 95,062               | 18,578                  | 754,049                 | 318,899                        | 1,186,588                      |
| Capital lease payment-principal                              | 119,115              | -                       | -                       | -                              | 119,115                        |
| Capital lease payment-interest                               | 9,611                | -                       | -                       | -                              | 9,611                          |
| <b>Capital outlay:</b>                                       |                      |                         |                         |                                |                                |
| Roads  | -                    | -                       | 1,391,650               | -                              | 1,391,650                      |
| Parks  | -                    | -                       | 519,170                 | -                              | 519,170                        |
| Storm sewer  | -                    | -                       | 2,709,324               | -                              | 2,709,324                      |
| Buildings  | -                    | -                       | 3,253,605               | -                              | 3,253,605                      |
| Total expenditures   | <u>31,492,380</u>    | <u>1,731,774</u>        | <u>10,629,128</u>       | <u>863,864</u>                 | <u>44,717,146</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>1,749,498</u>     | <u>153,881</u>          | <u>(2,024,914)</u>      | <u>(728,550)</u>               | <u>(850,085)</u>               |
| <b>Other financing sources (uses):</b>                       |                      |                         |                         |                                |                                |
| Proceeds-bond issuance                                       | -                    | 1,000,000               | -                       | -                              | 1,000,000                      |
| Transfers in   | 783,650              | -                       | 337,622                 | 740,399                        | 1,861,671                      |
| Transfers out  | (816,796)            | (1,121,272)             | -                       | -                              | (1,938,068)                    |
| Sale of land   | -                    | -                       | 2,012,953               | -                              | 2,012,953                      |
| Total other financing sources (uses)                         | <u>(33,146)</u>      | <u>(121,272)</u>        | <u>2,350,575</u>        | <u>740,399</u>                 | <u>2,936,556</u>               |
| Net change in fund balance                                   | 1,716,352            | 32,609                  | 325,661                 | 11,849                         | 2,086,471                      |
| Fund balance, beginning                                      | 10,333,532           | 1,533,357               | 12,290,902              | 1,549,657                      | 25,707,448                     |
| Fund balances, ending  | <u>\$ 12,049,884</u> | <u>\$ 1,565,966</u>     | <u>\$ 12,616,563</u>    | <u>\$ 1,561,506</u>            | <u>\$ 27,793,919</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, 2004**

|   |                  |                     |
|---|------------------|---------------------|
| Net change in fund balance-total governmental funds   |                  | \$ 2,086,471        |
| 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 capital outlay (\$8,166,456) exceeded depreciation (\$6,861,246) in the current period. |                  | 1,305,210           |
| Sale of capital assets is recorded in the amount of gross proceeds. In the statement of activities the gain on sale is reported net of book value.  |                  | (795,481)           |
| Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the statement of net assets, however, issuing debt increased long-term liabilities and does not affect the statement of activities.  |                  | (1,000,000)         |
| Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.  |                  |                     |
| Principal repayment   |                  | 3,634,301           |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.   |                  |                     |
| Property tax accrual  | 925,184          |                     |
| CDBG deferred revenue   | 52,772           |                     |
| Capital grants  | <u>2,565,598</u> |                     |
| Net adjustment  |                  | 3,543,554           |
| 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  | (56,125)         |                     |
| Compensated absences  | <u>(213,026)</u> |                     |
| Net adjustment  |                  | (269,151)           |
| Internal service funds are used by management to charge the costs of fleet maintenance and risk management to individual funds.   |                  | <u>269,897</u>      |
| Change in net assets of governmental activities   |                  | <u>\$ 8,774,801</u> |

CITY OF WEST JORDAN  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2004

|  | Budgeted Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|------------------|---------------|-------------------|---|
|  | Original         | Final         |                   |   |
| <b>Revenues:</b>                       |                  |               |                   |   |
| Taxes                                  | \$ 22,000,699    | \$ 22,000,699 | \$ 21,220,735     | \$ (779,964)  |
| Licenses and permits                   | 1,793,000        | 2,002,770     | 2,777,196         | 774,426   |
| Intergovernmental                      | 2,855,798        | 3,148,500     | 3,329,051         | 180,551   |
| Charges for services                   | 3,486,527        | 3,516,527     | 3,807,052         | 290,525   |
| Fines and forfeitures                  | 1,660,000        | 1,660,000     | 1,822,690         | 162,690   |
| Interest income                        | 140,000          | 140,000       | 155,212           | 15,212  |
| Miscellaneous                          | 101,200          | 101,200       | 129,942           | 28,742  |
| Total revenues                         | 32,037,224       | 32,569,696    | 33,241,878        | 672,182   |
| <b>Expenditures:</b>                   |                  |               |                   |   |
| General government                     | 6,494,955        | 6,655,139     | 6,382,793         | 272,346   |
| Community development                  | 1,514,161        | 1,723,931     | 1,543,823         | 180,108   |
| Police                                 | 10,255,588       | 10,365,388    | 9,608,342         | 757,046   |
| Fire                                   | 6,467,439        | 6,641,341     | 6,546,501         | 94,840  |
| Public works                           | 6,370,684        | 7,947,417     | 5,524,798         | 2,422,619   |
| Parks and recreation                   | 1,565,714        | 1,565,714     | 1,410,458         | 155,256   |
| <b>Debt service:</b>                   |                  |               |                   |   |
| Principal                              | 254,100          | 254,100       | 251,877           | 2,223   |
| Interest                               | 95,900           | 95,900        | 95,062            | 838   |
| Capital lease payments - principal     | 129,666          | 129,666       | 119,115           | 10,551  |
| Capital lease payments - interest      | 10,762           | 10,762        | 9,611             | 1,151   |
| Total debt service                     | 490,428          | 490,428       | 475,665           | 14,763  |
| Total expenditures                     | 33,158,969       | 35,389,358    | 31,492,380        | 3,896,978   |
| Excess of revenues over expenditures   | (1,121,745)      | (2,819,662)   | 1,749,498         | 4,569,160   |
| <b>Other financing sources (uses):</b> |                  |               |                   |   |
| Transfers in                           | 783,650          | 783,650       | 783,650           | -   |
| Transfers out                          | (752,399)        | (1,113,768)   | (816,796)         | 296,972   |
| Total other financing sources (uses):  | 31,251           | (330,118)     | (33,146)          | 296,972   |
| Net change in fund balance             | (1,090,494)      | (3,149,780)   | 1,716,352         | 4,866,132   |
| Fund balance-beginning                 | 10,333,532       | 10,333,532    | 10,333,532        | -   |
| Fund balance-ending                    | \$ 9,243,038     | \$ 7,183,752  | \$ 12,049,884     | \$ 4,866,132  |

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

CITY OF WEST JORDAN  
Redevelopment Agency  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2004

|                                      | Budgeted Amounts    |                     | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
|                                      | Original            | Final               |                     |   |
| Revenues:                            |                     |                     |                     |   |
| Taxes                                | \$ 1,905,500        | \$ 1,905,500        | \$ 1,864,268        | \$ (41,232)   |
| Interest                             | -                   | -                   | 21,387              | 21,387  |
| Total revenues                       | <u>1,905,500</u>    | <u>1,905,500</u>    | <u>1,885,655</u>    | <u>(19,845)</u>   |
| Expenditures:                        |                     |                     |                     |   |
| Community development                | 826,402             | 423,602             | 343,010             | 80,592  |
| Debt service:                        |                     |                     |                     |   |
| Principal payments                   | 335,000             | 885,800             | 1,370,186           | (484,386)   |
| Interest and fiscal charges          | 18,822              | 18,822              | 18,578              | 244   |
| Total expenditures                   | <u>1,180,224</u>    | <u>1,328,224</u>    | <u>1,731,774</u>    | <u>(403,550)</u>  |
| Excess of revenues over expenditures | <u>725,276</u>      | <u>577,276</u>      | <u>153,881</u>      | <u>(423,395)</u>  |
| Other financing uses:                |                     |                     |                     |   |
| Proceeds-bond issuance               | -                   | -                   | 1,000,000           | 1,000,000   |
| Transfers out                        | <u>(1,085,650)</u>  | <u>(1,085,650)</u>  | <u>(1,121,272)</u>  | <u>(35,622)</u>   |
| Total other financing uses           | <u>(1,085,650)</u>  | <u>(1,085,650)</u>  | <u>(121,272)</u>    | <u>964,378</u>  |
| Net change in fund balance           | (360,374)           | (508,374)           | 32,609              | 540,983   |
| Fund balance-beginning               | <u>1,533,357</u>    | <u>1,533,357</u>    | <u>1,533,357</u>    | -   |
| Fund balance-ending                  | <u>\$ 1,172,983</u> | <u>\$ 1,024,983</u> | <u>\$ 1,565,966</u> | <u>\$ 540,983</u>   |

CITY OF WEST JORDAN  
Statement of Net Assets  
Proprietary Funds  
June 30, 2004

|   | Business-type Activities-Enterprise Funds |                      |                     |                               | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|---|----------------------|---------------------|-------------------------------|--|
|   | Water                                     | Sewer                | Solid Waste         | Total Business-<br>type Funds |  |
| <b>Assets</b>   |   |                      |                     |                               |  |
| <b>Current assets:</b>  |   |                      |                     |                               |  |
| Cash and cash equivalents   | \$ 1,359,114                              | \$ 1,006,092         | \$ 1,076,619        | \$ 3,441,825                  | \$ 6,983,145   |
| Receivables (net of allowance<br>for uncollectables):                 |   |                      |                     |                               |  |
| Accounts  | 609,606                                   | 377,501              | 375,380             | 1,362,487                     | -  |
| Unbilled  | 335,029                                   | 117,627              | 110,036             | 562,692                       | -  |
| Due from other funds  | 1,296,500                                 | -                    | -                   | 1,296,500                     | -  |
| Inventory   | 72,599                                    | -                    | -                   | 72,599                        | 57,992   |
| Total current assets  | <u>3,672,848</u>                          | <u>1,501,220</u>     | <u>1,562,035</u>    | <u>6,736,103</u>              | <u>7,041,137</u>   |
| <b>Noncurrent assets:</b>   |   |                      |                     |                               |  |
| Restricted cash and cash equivalents                                  | 6,742,316                                 | 1,571,418            | 23,044              | 8,336,778                     | -  |
| Investment in joint ventures  | -   | 12,332,479           | 3,106,365           | 15,438,844                    | -  |
| Water stock   | 278,437                                   | -                    | -                   | 278,437                       | -  |
| Capital assets not being depreciated                                  | 437,901                                   | -                    | -                   | 437,901                       | -  |
| Capital assets being depreciated (net<br>of accumulated depreciation) | <u>59,707,961</u>                         | <u>26,124,095</u>    | <u>1,545,529</u>    | <u>87,377,585</u>             | <u>2,401,671</u>   |
| Total capital assets (net of<br>accumulated depreciation)             | <u>60,145,862</u>                         | <u>26,124,095</u>    | <u>1,545,529</u>    | <u>87,815,486</u>             | <u>2,401,671</u>   |
| Total noncurrent assets   | <u>67,166,615</u>                         | <u>40,027,992</u>    | <u>4,674,938</u>    | <u>111,869,545</u>            | <u>2,401,671</u>   |
| Total assets  | <u>70,839,463</u>                         | <u>41,529,212</u>    | <u>6,236,973</u>    | <u>118,605,648</u>            | <u>9,442,808</u>   |
| <b>Liabilities</b>  |   |                      |                     |                               |  |
| <b>Current liabilities:</b>   |   |                      |                     |                               |  |
| Accounts payable  | 736,690                                   | 330,669              | 252,417             | 1,319,776                     | 75,285   |
| Payroll payable   | 64,375                                    | 45,099               | 4,437               | 113,911                       | 25,255   |
| Payable from restricted<br>assets - deposits                          | 53,156                                    | -                    | -                   | 53,156                        | -  |
| Current portion, compensated absences                                 | 41,412                                    | 27,165               | 2,384               | 70,961                        | 20,541   |
| Current portion, capital lease payable                                | -   | -                    | 137,954             | 137,954                       | 28,205   |
| Current portion, bonds payable  | 1,000,000                                 | -                    | -                   | 1,000,000                     | -  |
| Contracts payable   | 341,671                                   | 140,444              | -                   | 482,115                       | -  |
| Other accrued payables  | -   | -                    | -                   | -                             | 477,318  |
| Total current liabilities   | <u>2,237,304</u>                          | <u>543,377</u>       | <u>397,192</u>      | <u>3,177,873</u>              | <u>626,604</u>   |
| <b>Long-term liabilities -</b>  |   |                      |                     |                               |  |
| Compensated absences  | 16,926                                    | 10,395               | 2,170               | 29,491                        | 13,944   |
| Capital lease payable   | -   | -                    | 583,528             | 583,528                       | 78,424   |
| Bonds payable   | 8,600,000                                 | -                    | -                   | 8,600,000                     | -  |
| Unamortized bond issuance costs                                       | (196,364)                                 | -                    | -                   | (196,364)                     | -  |
| Total long-term liabilities   | <u>8,420,562</u>                          | <u>10,395</u>        | <u>585,698</u>      | <u>9,016,655</u>              | <u>92,368</u>  |
| Total liabilities   | <u>10,657,866</u>                         | <u>553,772</u>       | <u>982,890</u>      | <u>12,194,528</u>             | <u>718,972</u>   |
| <b>Net Assets</b>   |   |                      |                     |                               |  |
| Invested in capital assets,<br>net of related debt                    | 50,545,862                                | 26,124,095           | 824,047             | 77,494,004                    | 2,295,042  |
| Restricted for:   |   |                      |                     |                               |  |
| Construction  | 2,371,202                                 | 1,571,418            | 23,044              | 3,965,664                     | -  |
| Unrestricted  | <u>7,264,533</u>                          | <u>13,279,927</u>    | <u>4,406,992</u>    | <u>24,951,452</u>             | <u>6,428,794</u>   |
| Total net assets  | <u>\$ 60,181,597</u>                      | <u>\$ 40,975,440</u> | <u>\$ 5,254,083</u> | <u>\$ 106,411,120</u>         | <u>\$ 8,723,836</u>                                      |

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

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the fiscal year ended June 30, 2004

|  | Business-type Activities-Enterprise Funds |               |              |                               | Governmental<br>Activities-<br>Internal<br>Service Fund |
|--|---|---------------|--------------|-------------------------------|---|
|  | Water                                     | Sewer         | Solid Waste  | Total Business-<br>type Funds |   |
| Operating revenues:                                    |   |               |              |                               |   |
| Charges for services                                   | \$ 9,197,325                              | \$ 4,011,437  | \$ 2,865,097 | \$ 16,073,859                 | \$ 3,175,607  |
| Operating expenses:                                    |   |               |              |                               |   |
| Sources of supply                                      | 4,847,575                                 | -             |              | 4,847,575                     | -   |
| Depreciation   | 1,574,108                                 | 662,805       | 89,361       | 2,326,274                     | 671,998   |
| Salaries and benefits                                  | 1,194,224                                 | 756,153       | 159,405      | 2,109,782                     | 526,508   |
| Contracted services                                    | 2,650                                     | 48,766        | 1,512,738    | 1,564,154                     | -   |
| Sewage treatment                                       | -   | 1,843,419     | -            | 1,843,419                     | -   |
| Fleet lease  | 127,730                                   | 175,635       | 64,499       | 367,864                       | -   |
| Utilities and telephone                                | 278,715                                   | 6,051         | -            | 284,766                       | -   |
| Professional and technical                             | 89,799                                    | 8,851         | -            | 98,650                        | 1,258,740   |
| Garbage cans   | -   | -             | 158,881      | 158,881                       | -   |
| Landfill   | -   | -             | 527,218      | 527,218                       | -   |
| Supplies and maintenance                               | 488,653                                   | 167,364       | 1,766        | 657,783                       | 685,941   |
| Interfund service fee                                  | 1,065,764                                 | 586,091       | 132,293      | 1,784,148                     | -   |
| Total operating expenses                               | 9,669,218                                 | 4,255,135     | 2,646,161    | 16,570,514                    | 3,143,187   |
| Operating income (loss)                                | (471,893)                                 | (243,698)     | 218,936      | (496,655)                     | 32,420  |
| Nonoperating revenues (expenses):                      |   |               |              |                               |   |
| Equity in income (loss)<br>of joint ventures           | -   | (969,717)     | 316,731      | (652,986)                     | -   |
| Impact fees  | 3,255,995                                 | 2,533,445     | -            | 5,789,440                     | -   |
| Interest earnings                                      | 70,382                                    | 26,683        | 21,776       | 118,841                       | 79,044  |
| Interest expense                                       | (167,904)                                 | -             | (13,923)     | (181,827)                     | (4,965)   |
| Sundry revenue   | -   | -             | -            | -                             | 170   |
| Gain (loss) on disposal of equipment                   | -   | -             | -            | -                             | 50,065  |
| Total nonoperating<br>revenues (expense)               | 3,158,473                                 | 1,590,411     | 324,584      | 5,073,468                     | 124,314   |
| Income before operating transfers<br>and contributions | 2,686,580                                 | 1,346,713     | 543,520      | 4,576,813                     | 156,734   |
| Contributions from developers                          | 4,470,512                                 | 2,361,891     | -            | 6,832,403                     | -   |
| Transfers in   | -   | -             | -            | -                             | 113,163   |
| Transfers out  | (36,267)                                  | (499)         | -            | (36,766)                      | -   |
| Change in net assets                                   | 7,120,825                                 | 3,708,105     | 543,520      | 11,372,450                    | 269,897   |
| Net assets, beginning                                  | 53,060,772                                | 37,267,335    | 4,710,563    | 95,038,670                    | 8,453,939   |
| Net assets, ending                                     | \$ 60,181,597                             | \$ 40,975,440 | \$ 5,254,083 | \$ 106,411,120                | \$ 8,723,836  |

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, 2004

|   | Business-type Activities |                     |                     | Total<br>Business-type<br>Activities | Governmental<br>Activities<br>Internal Service<br>Funds |
|---|--------------------------|---------------------|---------------------|--------------------------------------|---|
|   | Water                    | Sewer               | Solid Waste         |                                      |   |
| Increase (decrease) in cash and cash equivalents:                       |                          |                     |                     |                                      |   |
| Cash flows from operating activities:                                   |                          |                     |                     |                                      |   |
| Cash received from customers  | \$ 9,238,962             | \$ 3,996,690        | \$ 2,755,490        | \$ 15,991,142                        | \$ -  |
| Cash received from quasi-external transactions                          | -                        | -                   | -                   | -                                    | 3,175,607   |
| Cash payments for goods/services  | (5,576,396)              | (1,929,334)         | (2,120,381)         | (9,626,111)                          | (1,813,843)   |
| Cash payments for quasi-external transactions                           | (1,193,494)              | (761,726)           | (196,792)           | (2,152,012)                          | -   |
| Cash payments to employees  | (1,170,797)              | (741,685)           | (172,259)           | (2,084,741)                          | (519,667)   |
| Net cash provided by operating activities                               | <u>1,298,275</u>         | <u>563,945</u>      | <u>266,058</u>      | <u>2,128,278</u>                     | <u>842,097</u>  |
| Cash flows from noncapital financing activities:                        |                          |                     |                     |                                      |   |
| Other receipts (payments)   | -                        | -                   | -                   | -                                    | 170   |
| Transfers in  | -                        | -                   | -                   | -                                    | 113,163   |
| Transfers out   | (36,267)                 | (499)               | -                   | (36,766)                             | -   |
| Net cash provided by (used in) noncapital financing activities          | <u>(36,267)</u>          | <u>(499)</u>        | <u>-</u>            | <u>(36,766)</u>                      | <u>113,333</u>  |
| Cash flows from capital and related financing activities:               |                          |                     |                     |                                      |   |
| Acquisition of capital assets   | (1,229,495)              | (199,493)           | (810,410)           | (2,239,398)                          | (658,463)   |
| Proceeds from sale of capital assets                                    | -                        | -                   | -                   | -                                    | 50,065  |
| Principal payments - bonds  | (900,000)                | -                   | -                   | (900,000)                            | -   |
| Interest paid on revenue bonds  | (146,086)                | -                   | -                   | (146,086)                            | -   |
| Proceeds from issuance of bonds   | -                        | -                   | -                   | -                                    | -   |
| Bond issue costs paid   | -                        | -                   | -                   | -                                    | -   |
| Payments on capital leases  | -                        | -                   | (78,518)            | (78,518)                             | (27,077)  |
| Interest paid on capital leases   | -                        | -                   | (13,923)            | (13,923)                             | (4,965)   |
| Impact fees collected   | 3,255,995                | 2,533,445           | -                   | 5,789,440                            | -   |
| Net cash provided by (used in) capital and related financing activities | <u>980,414</u>           | <u>2,333,952</u>    | <u>(902,851)</u>    | <u>2,411,515</u>                     | <u>(640,440)</u>  |
| Cash flows from investing activities:                                   |                          |                     |                     |                                      |   |
| Investment in SVWRF   | -                        | (1,358,449)         | -                   | (1,358,449)                          | -   |
| Purchase of water stock   | -                        | -                   | -                   | -                                    | -   |
| Payments received on interfund loans                                    | 705,000                  | -                   | -                   | 705,000                              | -   |
| Interest on investments   | 70,382                   | 26,683              | 21,776              | 118,841                              | 79,044  |
| Net cash provided by (used in) investing activities                     | <u>775,382</u>           | <u>(1,331,766)</u>  | <u>21,776</u>       | <u>(534,608)</u>                     | <u>79,044</u>   |
| Net increase (decrease) in cash and cash equivalents                    | 3,017,804                | 1,565,632           | (615,017)           | 3,968,419                            | 394,034   |
| Beginning cash, cash equivalents and restricted cash                    | <u>5,083,626</u>         | <u>1,011,878</u>    | <u>1,714,680</u>    | <u>7,810,184</u>                     | <u>6,589,111</u>  |
| Ending cash, cash equivalents and restricted cash                       | <u>\$8,101,430</u>       | <u>\$2,577,510</u>  | <u>\$1,099,663</u>  | <u>\$11,778,603</u>                  | <u>\$6,983,145</u>                                      |
| Ending cash, cash equivalents and restricted cash consists of:          |                          |                     |                     |                                      |   |
| Unrestricted cash and cash equivalents                                  | \$ 1,359,114             | \$ 1,006,092        | \$ 1,076,619        | \$ 3,441,825                         | \$ 6,983,145  |
| Restricted cash and cash equivalents                                    | <u>6,742,316</u>         | <u>1,571,418</u>    | <u>23,044</u>       | <u>8,336,778</u>                     | <u>-</u>  |
|   | <u>\$ 8,101,430</u>      | <u>\$ 2,577,510</u> | <u>\$ 1,099,663</u> | <u>\$ 11,778,603</u>                 | <u>\$ 6,983,145</u>                                     |

Statement continued on next page

CITY OF WEST JORDAN  
Proprietary Funds  
Statement of Cash Flows (cont)  
For the fiscal year ended June 30, 2004

|   | Business-type Activities |                   |                   | Total<br>Business-type<br>Activities | Governmental<br>Activities<br>Internal Service<br>Funds |
|---|--------------------------|-------------------|-------------------|--------------------------------------|---|
|   | Water                    | Sewer             | Solid Waste       |                                      |   |
| <b>Noncash Investing, Capital, and Financing Activities</b>                                       |                          |                   |                   |                                      |   |
| Contributions of fixed assets from developers   | \$ 4,470,512             | \$ 2,361,891      | -                 | \$ 4,470,512                         | \$ -  |
| Capital assets acquired under contracts payable   | 341,671                  | 140,444           | -                 | 482,115                              | -   |
| Capital assets acquired under capital lease   | -                        | -                 | 800,000           | -                                    | 142,489   |
| <b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b> |                          |                   |                   |                                      |   |
| Operating income (loss)   | \$ (471,893)             | \$ (243,698)      | \$ 218,936        | \$ (496,655)                         | \$ 32,420   |
| <b>Adjustments to operating income:</b>   |                          |                   |                   |                                      |   |
| Depreciation  | 1,574,108                | 662,805           | 89,361            | 2,326,274                            | 671,998   |
| <b>Change in assets and liabilities:</b>  |                          |                   |                   |                                      |   |
| Accounts receivable   | (16,028)                 | (31,634)          | (91,806)          | (139,468)                            | -   |
| Unbilled receivables  | 57,665                   | 16,887            | (17,801)          | 56,751                               | -   |
| Inventory   | 358,834                  | -                 | -                 | 358,834                              | (2,211)   |
| Accounts payable  | (242,043)                | 145,117           | 80,222            | (16,704)                             | 1,653   |
| Payroll payable   | 15,575                   | 15,178            | (4,639)           | 26,114                               | 3,509   |
| Other accrued payables  | -                        | -                 | -                 | -                                    | 131,396   |
| Compensated absences  | 7,852                    | (710)             | (8,215)           | (1,073)                              | 3,332   |
| Customer deposits   | 14,205                   | -                 | -                 | 14,205                               | -   |
| Total adjustments to operating income   | <u>1,770,168</u>         | <u>807,643</u>    | <u>47,122</u>     | <u>2,624,933</u>                     | <u>809,677</u>  |
| Net cash provided by operating activities   | <u>\$ 1,298,275</u>      | <u>\$ 563,945</u> | <u>\$ 266,058</u> | <u>\$ 2,128,278</u>                  | <u>\$ 842,097</u>                                       |

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

**CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004**

**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:

**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 (MBA) is also a separate legal entity and is reported as a Capital Projects Fund. The MBA was established to finance and construct municipal buildings that are then leased to the City. The City Council serves as the board of trustees for the MBA and therefore the MBA is reported as if it were part of the primary government. 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,

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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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 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.

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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*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 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, 2004. The accounts receivable for these revenues are reported net of the allowance for doubtful accounts (\$10,000 at June 30, 2004).

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

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2004

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:

| <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

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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amortized cost at June 30, 2004. 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 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, 2004 through June 30, 2004, 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 amounts are reported as prepaid expenses in the government-wide statements.

**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, 2003 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, 2004 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.

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. 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.

CITY OF WEST JORDAN  
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(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.

(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.

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|                         |                     |
|-------------------------|---------------------|
| Cash                    | \$ 2,964,049        |
| Public Treasurer's Pool | <u>45,799,245</u>   |
| Total                   | <u>\$48,763,294</u> |

Included in the accompanying balance sheet as follows:

|   |                     |
|---|---------------------|
| Cash and cash equivalents                     | \$ 25,607,113       |
| Restricted assets - cash and cash equivalents | <u>23,156,181</u>   |
| Total   | <u>\$48,763,294</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, 2004 the book value of cash on deposit was \$2,964,049 and the bank balance was \$4,226,546 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 \$1,262,497 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 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.

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General Fund - Developer and other deposits of \$1,307,103 Class C-Road funds of \$3,632,782, and reserves for debt service of \$450,926 totaling \$5,390,811, are shown as restricted assets to be used only for the purpose defined by contract or under legal provisions. Customer deposits of \$1,307,103 represent a liability, therefore fund balance need not be reserved.

Capital Improvements Fund – Cash restricted for construction of \$3,449,732, reserves for debt service of \$1,455,693, park impact fees of \$1,315,466, storm sewer impact fees of \$1,135,511 and road impact fees of \$1,181,438 totaling \$8,537,840 are shown as restricted. The fund balance has been reserved for the same amounts.

Municipal Building Authority- Cash in the amount of \$790,474 is restricted for debt service and fund balance has been reserved in the same amount.

Redevelopment Agency Fund- Cash in the amount of \$100,278 is restricted for debt service and fund balance has been reserved in the same amount.

Water Fund- Water impact fees of \$2,371,202 are shown as restricted. Net assets are restricted for construction in the amount of the impact fees. Cash in the amount of \$4,341,820 is shown as restricted because its use is limited in bond covenants and customer deposits of \$29,294 are also shown as restricted. Net assets are not restricted for these amounts because they are offset by liabilities.

Sewer Fund-Sewer impact fees of \$1,571,418 are restricted for construction of capital assets and net assets are restricted from the same amount.

Solid Waste Fund-Cash in the amount of \$23,044 is restricted for acquisition of capital assets and net assets are restricted for the same amount.

### **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, 2004) and then compare those values to come up with an agreed upon fair value of the securities.

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As of June 30, 2004, the City had \$45,799,245 invested in the PTIF which had a fair value of \$45,831,772 for a gain of \$32,527. 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                            | 71.23%                       |
| Money market accounts and<br>Certificates of deposit | 0.78%                        |
| U.S. Government securities                           | <u>27.99%</u>                |
|  | <u>100.00%</u>               |

**NOTE 4**

Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

|  | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u>    | <u>Ending<br/>Balance</u> |
|--|------------------------------|---------------------|---------------------|---------------------------|
| <b>Governmental activities:</b>              |                              |                     |                     |                           |
| Capital assets, not being depreciated:       |                              |                     |                     |                           |
| Land   | \$ 114,017,446               | \$ 2,284,455        | \$ (466,504)        | \$ 115,835,397            |
| Construction in progress                     | <u>202,745</u>               | <u>286,443</u>      | <u>(175,745)</u>    | <u>313,443</u>            |
| Total capital assets not being depreciated   | <u>114,220,191</u>           | <u>2,570,898</u>    | <u>(642,249)</u>    | <u>116,148,840</u>        |
| Capital assets, being depreciated:           |                              |                     |                     |                           |
| Machinery and equipment                      | 11,432,537                   | 779,632             | (513,327)           | 11,698,842                |
| Computer equipment                           | 1,798,578                    | 88,072              | -                   | 1,886,650                 |
| Buildings and building improvements          | 15,700,325                   | 2,208,586           | (510,480)           | 17,398,431                |
| Improvements other than buildings            | 11,788,793                   | 308,447             | -                   | 12,097,240                |
| Infrastructure                               | <u>185,581,251</u>           | <u>5,607,724</u>    | <u>-</u>            | <u>191,188,975</u>        |
| Total capital assets being depreciated       | <u>226,301,484</u>           | <u>8,992,461</u>    | <u>(1,023,807)</u>  | <u>234,270,138</u>        |
| Less accumulated depreciation for:           |                              |                     |                     |                           |
| Machinery and equipment                      | (7,952,240)                  | (865,987)           | 513,326             | (8,304,901)               |
| Computer equipment                           | (1,603,374)                  | (146,748)           | -                   | (1,750,122)               |
| Buildings and building improvements          | (3,125,281)                  | (348,605)           | 181,504             | (3,292,382)               |
| Improvements other than buildings            | (3,307,868)                  | (596,375)           | -                   | (3,904,243)               |
| Infrastructure                               | <u>(60,463,131)</u>          | <u>(5,572,625)</u>  | <u>-</u>            | <u>(66,035,756)</u>       |
| Total accumulated depreciation               | <u>(76,451,894)</u>          | <u>(7,530,340)</u>  | <u>694,830</u>      | <u>(83,287,404)</u>       |
| Total capital assets, being depreciated, net | <u>149,849,590</u>           | <u>1,462,121</u>    | <u>(328,977)</u>    | <u>150,982,734</u>        |
| Governmental activities capital assets, net  | <u>\$ 264,069,781</u>        | <u>\$ 4,033,019</u> | <u>\$ (971,226)</u> | <u>\$ 267,131,574</u>     |

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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|  | Beginning<br>Balance | Increases           | Decreases   | Ending<br>Balance    |
|--|----------------------|---------------------|-------------|----------------------|
| <b>Business-type activities:</b>             |                      |                     |             |                      |
| 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            | 101,111,466          | 8,743,506           | -           | 109,854,972          |
| Machinery and equipment                      | <u>383,597</u>       | <u>1,610,410</u>    | <u>-</u>    | <u>1,994,007</u>     |
| Total capital assets being depreciated       | <u>101,816,420</u>   | <u>10,353,916</u>   | <u>-</u>    | <u>112,170,336</u>   |
| Less accumulated depreciation for:           |                      |                     |             |                      |
| Buildings                                    | (138,062)            | (7,141)             | -           | (145,203)            |
| Improvements other than buildings            | (22,058,620)         | (2,210,234)         | -           | (24,268,854)         |
| Machinery and equipment                      | <u>(269,795)</u>     | <u>(108,899)</u>    | <u>-</u>    | <u>(378,694)</u>     |
| Total accumulated depreciation               | <u>(22,466,477)</u>  | <u>(2,326,274)</u>  | <u>-</u>    | <u>(24,792,751)</u>  |
| Total capital assets, being depreciated, net | <u>79,349,943</u>    | <u>8,027,642</u>    | <u>-</u>    | <u>87,377,585</u>    |
| Business-type activities capital assets, net | <u>\$ 79,787,844</u> | <u>\$ 8,027,642</u> | <u>\$ -</u> | <u>\$ 87,815,486</u> |

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

|   |                     |
|---|---------------------|
| Governmental activities:  |                     |
| General government  | \$ 970,525          |
| Police  | 84,693              |
| Fire  | 220,892             |
| Public works (includes depreciation on general infrastructure assets) | 5,643,026           |
| Parks and recreation  | 611,204             |
| Total depreciation expense-governmental activities                    | <u>\$ 7,530,340</u> |
| Business-type activities  |                     |
| Water   | \$ 1,574,108        |
| Sewer   | 662,805             |
| Solid waste   | 89,361              |
| Total depreciation expense-business-type activities                   | <u>\$ 2,326,274</u> |

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5**

Long-term debt

|  | Beginning            |                     |                       | Ending               | Due Within          |
|--|----------------------|---------------------|-----------------------|----------------------|---------------------|
|  | <u>Balance</u>       | <u>Additions</u>    | <u>Reductions</u>     | <u>Balance</u>       | <u>One Year</u>     |
| Governmental Activities:                       |                      |                     |                       |                      |                     |
| Bonds payable:                                 |                      |                     |                       |                      |                     |
| Lease revenue refunding bonds                  | \$ 3,920,000         | \$ -                | \$ (275,000)          | \$ 3,645,000         | \$ 290,000          |
| Lease revenue bonds                            | 3,385,000            | -                   | (115,000)             | 3,270,000            | 115,000             |
| Excise tax road bonds                          | 3,760,000            | -                   | (410,000)             | 3,350,000            | 425,000             |
| Sales tax revenue bonds                        | 13,225,000           | -                   | (1,270,000)           | 11,955,000           | 1,310,000           |
| Tax increment revenue bonds                    | 335,000              | -                   | (335,000)             | -                    | -                   |
| Tax increment revenue bonds-2004               | <u>-</u>             | <u>1,000,000</u>    | <u>-</u>              | <u>1,000,000</u>     | <u>165,000</u>      |
| Total bonds payable                            | <u>24,625,000</u>    | <u>1,000,000</u>    | <u>(2,405,000)</u>    | <u>23,220,000</u>    | <u>2,305,000</u>    |
| Other liabilities:                             |                      |                     |                       |                      |                     |
| Capital leases                                 | 399,931              | -                   | (146,192)             | 253,739              | 164,764             |
| Contract payable                               | 1,955,000            | -                   | (75,000)              | 1,880,000            | 80,000              |
| Compensated absences                           | 1,752,951            | 244,620             | (28,262)              | 1,969,309            | 1,307,817           |
| Notes payable to developers                    | <u>2,677,333</u>     | <u>-</u>            | <u>(1,035,186)</u>    | <u>1,642,147</u>     | <u>43,000</u>       |
| Total other liabilities                        | <u>6,785,215</u>     | <u>244,620</u>      | <u>(1,284,640)</u>    | <u>5,745,195</u>     | <u>1,595,581</u>    |
| Governmental activities long-term liabilities  | <u>\$ 31,410,215</u> | <u>\$ 1,244,620</u> | <u>\$ (3,689,640)</u> | <u>\$ 28,965,195</u> | <u>\$ 3,900,581</u> |
| Business-type Activities:                      |                      |                     |                       |                      |                     |
| Water bond                                     | \$ 10,500,000        | \$ -                | \$ (900,000)          | \$ 9,600,000         | \$ 1,000,000        |
| Compensated absences                           | 101,525              | 3,736               | (4,809)               | 100,452              | 70,961              |
| Capital leases                                 | <u>-</u>             | <u>800,000</u>      | <u>(78,518)</u>       | <u>721,482</u>       | <u>137,954</u>      |
| Business-type activities long-term liabilities | <u>\$ 10,601,525</u> | <u>\$ 803,736</u>   | <u>\$ (983,327)</u>   | <u>\$ 10,421,934</u> | <u>\$ 1,208,915</u> |

Long-term obligations at June 30, 2004, consist of the following:

Governmental activities:

Tax Increment Revenue Bonds:

The City issued 2004 tax increment revenue bonds in the amount of \$1,000,000 to repay developers for improvements made in a redevelopment area. The bonds are due in annual installments of \$135,000 to \$250,000 through February 1, 2010; interest at 4.2 percent, to be repaid by taxes levied on property in one of the City's redevelopment areas.

\$ 1,000,000

Lease Revenue Bonds:

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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. 3,645,000

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. 3,270,000

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. 3,350,000

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. 11,955,000

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. 1,880,000

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. 147,110

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

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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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. 106,629

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. 1,642,147

Compensated Absences 1,969,309

Total Governmental Activities \$ 28,965,195

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. \$ 9,600,000

Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of new recycling bins for automated residential pickup. The original amount of the lease was \$800,000. The terms of the lease require monthly payments of \$13,203 through August 2009, at which time ownership will transfer to the City. The stated rate of interest in the lease agreement is 3.11 percent. 721,482

Compensated Absences 100,452

Total Business-type Activities \$ 10,421,934

Over the past several years, the City defeased debt relating to the 1992 Municipal Building Authority lease revenue bonds. The defeased portion of the 1992 Municipal Building Authority lease revenue bonds was \$3,530,000 at June 30, 2004.

As of June 30, 2004, annual debt service requirements to maturity are as follows:

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 NOTES TO THE BASIC FINANCIAL STATEMENTS  
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| Year Ended | Lease revenue refunding |            | Lease revenue |             | Excise tax   |            | Sales tax     |             | Tax increment |            |
|------------|-------------------------|------------|---------------|-------------|--------------|------------|---------------|-------------|---------------|------------|
|            | Principal               | Interest   | Principal     | Interest    | Principal    | Interest   | Principal     | Interest    | Principal     | Interest   |
| June 30    |                         |            |               |             |              |            |               |             |               |            |
| 2005       | \$ 290,000              | \$ 159,597 | \$ 115,000    | \$ 141,640  | \$ 425,000   | \$ 140,612 | \$1,310,000   | \$ 512,375  | \$ 165,000    | \$ 32,200  |
| 2006       | 300,000                 | 146,763    | 125,000       | 137,226     | 440,000      | 124,675    | 1,355,000     | 469,800     | 165,000       | 35,070     |
| 2007       | 315,000                 | 133,154    | 125,000       | 132,476     | 460,000      | 108,175    | 1,400,000     | 422,375     | 135,000       | 28,140     |
| 2008       | 325,000                 | 118,833    | 135,000       | 127,370     | 475,000      | 89,775     | 1,480,000     | 369,875     | 140,000       | 22,470     |
| 2009       | 340,000                 | 103,785    | 140,000       | 121,870     | 500,000      | 71,725     | 1,500,000     | 310,675     | 145,000       | 16,590     |
| 2010-2014  | 2,075,000               | 235,810    | 1,200,000     | 505,903     | 1,050,000    | 74,250     | 4,910,000     | 530,350     | 250,000       | 10,500     |
| 2015-2019  | -                       | -          | 1,430,000     | 70,652      | -            | -          | -             | -           | -             | -          |
| Total      | \$ 3,645,000            | \$ 897,942 | \$3,270,000   | \$1,237,137 | \$ 3,350,000 | \$ 609,212 | \$ 11,955,000 | \$2,615,450 | \$1,000,000   | \$ 134,470 |

| Year Ended | Governmental-type<br>Activities-Contracts |              | Year Ended | Business-type Activities<br>Revenue Bond |              |
|------------|---|--------------|------------|--|--------------|
|            | Contract                                  | Interest     |            | Water revenue bond                       | Interest     |
| June 30    | Principal                                 | Interest     | June 30    | Principal                                | Interest     |
| 2005       | \$ 80,000                                 | \$ 139,942   | 2005       | \$ 1,000,000                             | \$ 240,000   |
| 2006       | 85,000                                    | 134,048      | 2006       | 1,000,000                                | 301,000      |
| 2007       | 90,000                                    | 127,805      | 2007       | 1,000,000                                | 266,000      |
| 2008       | 95,000                                    | 121,167      | 2008       | 1,000,000                                | 231,000      |
| 2009       | 100,000                                   | 114,128      | 2009       | 1,000,000                                | 196,000      |
| 2010-2014  | 575,000                                   | 449,765      | 2010-2014  | 4,600,000                                | 409,500      |
| 2015-2019  | 700,000                                   | 203,679      | 2015-2019  | -  | -            |
| 2020       | 155,000                                   | 6,167        | 2002       | -  | -            |
| Total      | \$ 1,880,000                              | \$ 1,296,701 | Total      | \$ 9,600,000                             | \$ 1,643,500 |

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.

**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, 2004:

|             |              |               |
|-------------|--------------|---------------|
| Fiscal Year | Governmental | Business-Type |
|-------------|--------------|---------------|

CITY OF WEST JORDAN  
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| <u>Ending June 30</u>                       | <u>Activities</u> | <u>Activities</u> |
|---|-------------------|-------------------|
| 2005  | \$ 183,022        | \$ 158,436        |
| 2006  | 32,042            | 158,436           |
| 2007  | 32,042            | 158,436           |
| 2008  | 16,022            | 158,436           |
| 2009  | -                 | 145,232           |
| Thereafter                                  | -                 | -                 |
| Total minimum lease payments                | <u>263,128</u>    | <u>778,976</u>    |
| Less: Amount representing interest          | <u>9,389</u>      | <u>57,494</u>     |
| Present value of net minimum lease payments | <u>\$ 253,739</u> | <u>\$ 721,482</u> |

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

|                          |           |           |
|--------------------------|-----------|-----------|
| Cost of equipment        | \$648,744 | \$800,000 |
| Accumulated depreciation | \$424,002 | \$40,000  |

**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 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

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2004

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<br>contribution paid<br>by City | City's<br>Contribution |
|------------------------------------|--|------------------------|
| Local Governmental-Contributory    | 6.00%                                    | 5.61%                  |
| Local Governmental-Noncontributory | -  | 9.62%                  |
| Public Safety-Contributory         | 7.65%                                    | 12.32%                 |
| Public Safety-Noncontributory      | -  | 19.42%                 |
| Firefighters System                | 7.65%                                    | 0.18%                  |

| <u>System</u>                      | <u>Year<br/>Ended<br/>June 30</u> | <u>Employee paid<br/>contributions</u> | <u>City's<br/>contribution</u> |
|------------------------------------|-----------------------------------|--|--------------------------------|
| Local Governmental-Contributory    | 2004                              | \$ 12,301                              | \$ 11,502                      |
|                                    | 2003                              | 13,141                                 | 10,250                         |
|                                    | 2002                              | 16,266                                 | 11,359                         |
| Local Governmental-Noncontributory | 2004                              | -                                      | 662,289                        |
|                                    | 2003                              | -                                      | 530,085                        |
|                                    | 2002                              | -                                      | 438,205                        |
| Public Safety-Contributory         | 2004                              | 37,420                                 | 60,263                         |
|                                    | 2003                              | 35,027                                 | 46,656                         |
|                                    | 2002                              | 32,428                                 | 39,337                         |
| Public Safety-Noncontributory      | 2004                              | -                                      | 681,334                        |
|                                    | 2003                              | -                                      | 587,570                        |
|                                    | 2002                              | -                                      | 526,580                        |
| Firefighters System                | 2004                              | 245,917                                | 5,788                          |
|                                    | 2003                              | 215,875                                | 5,071                          |
|                                    | 2002                              | 195,057                                | 19,887                         |

Contributions were equal to the required contributions.

**NOTE 8**

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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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, 2004 was \$17,560,273. The contribution requirement for the year ended June 30, 2004 was \$1,725,161.

**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, 2004

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

|       |                           |           |
|-------|---------------------------|-----------|
| Area: | 8600 South 3200-3600 West | \$162,000 |
|       | 6200 West 9200-9400 South | 515,484   |
|       | 1700 West 6600-7000 South | 520,000   |
|       | 7800 South 1300-1600 West | 138,000   |
|       | 9000 South 1300-1700 West | 364,284   |
|       | Independence Square Area  | 164,500   |

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

|                      |           |
|----------------------|-----------|
| Administration Costs | \$ 95,825 |
| Infrastructure       | 247,185   |
| Interest             | 18,578    |
| Principal            | 1,370,186 |

Outstanding loans to finance RDA projects as of  
 June 30, 2004: \$ 1,642,147

**NOTE 10**

Interfund Receivables and Payables / Transfers

Interfund receivables and payables as June 30, 2004 were as follows:

| <u>Due From</u>        | <u>Due To</u> | <u>Amount</u> |
|------------------------|---------------|---------------|
| Non-Major Governmental | General       | \$40,970      |
| Capital Improvements   | Water         | \$1,296,500   |

The interfund receivable/payables are related to operating funds temporarily loaned from the general fund to a special revenue fund and funds loaned to the capital improvement fund from the water fund for construction of a soccer complex.

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2004

Transfers In / Transfers Out

Interfund transfers during the year ended June 30, 2004 were as follows:

| Transfers Out        | Transfers in      |                      |                      |             |             |                        |                   |                     |
|----------------------|-------------------|----------------------|----------------------|-------------|-------------|------------------------|-------------------|---------------------|
|                      | General Fund      | Redevelopment Agency | Capital Improvements | Water       | Sewer       | Non-major Governmental | Internal Service  | Total               |
| General fund         | \$ -              | \$ -                 | \$ -                 | \$ -        | \$ -        | \$ 740,399             | \$ 76,397         | \$ 816,796          |
| Redevelopment Agency | 783,650           | -                    | 337,622              | -           | -           | -                      | -                 | 1,121,272           |
| Capital Improvements | -                 | -                    | -                    | -           | -           | -                      | -                 | -                   |
| Water                | -                 | -                    | -                    | -           | -           | -                      | 36,267            | 36,267              |
| Sewer                | -                 | -                    | -                    | -           | -           | -                      | 499               | 499                 |
| Non-Major            |                   |                      |                      |             |             |                        |                   |                     |
| Governmental         | -                 | -                    | -                    | -           | -           | -                      | -                 | -                   |
| Internal Service     | -                 | -                    | -                    | -           | -           | -                      | -                 | -                   |
| Total                | <u>\$ 783,650</u> | <u>\$ -</u>          | <u>\$ 337,622</u>    | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 740,399</u>      | <u>\$ 113,163</u> | <u>\$ 1,974,834</u> |

The purpose of the transfers is to distribute administrative costs amongst the funds or to construct assets.

**NOTE 11**

Risk Management

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:

2004                      2003

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2004

|   |                   |                   |
|---|-------------------|-------------------|
| Claims liability, July 1  | \$ 207,899        | \$117,465         |
| Claims incurred during the year and changes<br>in estimates       | 766,259           | 267,062           |
| Payments on claims during the year<br>Payments made by insurance  | 492,224           | 122,600           |
| Coinsurance and deductible insurance<br>payments made by the City | 156,464           | 54,028            |
| Claims liability, June 30,  | <u>\$ 325,470</u> | <u>\$ 207,899</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**

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, 2003, and for the year then ended is as follows:

CITY OF WEST JORDAN  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2004

|                   |                     |
|-------------------|---------------------|
| Total Assets      | \$50,092,421        |
| Total Liabilities | 927,165             |
| Total Fund Equity | <u>\$49,165,256</u> |
| <br>              |                     |
| Total Revenues    | \$10,304,772        |
| Total Expenses    | 9,605,709           |
| Net Loss          | <u>\$699,396</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, 2004, and for the year then ended is as follows:

|                   |                     |
|-------------------|---------------------|
| Total Assets      | \$18,219,276        |
| Total Liabilities | 4,022,885           |
| Total Fund Equity | <u>\$14,196,392</u> |
| <br>              |                     |
| Total Revenues    | \$ 5,711,748        |
| Total Expenses    | 4,523,710           |
| Net Income        | <u>\$ 1,188,038</u> |

**NOTE 14**  
Conduit Debt

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, 2004, 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.

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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**NOTE 15**

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.

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 \$21,400,000 at June 30, 2004.

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.

**NOTE 16**

Subsequent Event

On July 7, 2004 the City issued \$10,920,000 in general obligation bonds. The bond proceeds from this sale will be used to construct and furnish a new justice center with related roads, parking and improvements. The justice center will incorporate the City police station and the City courts in one central location and will be located adjacent to City Hall. Proceeds of the sale of the bonds will also be used to pay the costs of acquiring and preserving open space, park and recreational lands, trails and amenities.

CITY OF WEST JORDAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2004

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**NOTE 17**

Expenditures Exceeding Appropriations

Principal payment expenditures in the Redevelopment Agency exceeded appropriations. The City Council approved reimbursement to a developer funded by bond proceeds. However, a budget adjustment was not approved. In the future, the City will approve budget adjustments for unbudgeted items.

## COMBINING FINANCIAL STATEMENTS

### NONMAJOR GOVERNMENTAL FUNDS

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#### **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 District - 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, 2004

|   | Special Revenue Funds |                     |                       | Capital Projects<br>Fund           | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------|---------------------|-----------------------|------------------------------------|--|
|   | Western<br>Stampede   | Fairway<br>Estates  | Total                 | Municipal<br>Building<br>Authority |  |
| <u>Assets</u>                           |                       |                     |                       |                                    |  |
| Cash and cash equivalents               | \$ -                  | \$ 2,303            | \$ 2,303              | \$ 767,420                         | \$ 769,723                                 |
| Taxes receivable                        | -                     | 107                 | 107                   | -                                  | 107  |
| Prepaid expenditures                    | 113,384               | -                   | 113,384               | -                                  | 113,384                                    |
| Restricted assets-                      |                       |                     |                       |                                    |  |
| Cash and cash equivalents               | -                     | -                   | -                     | 790,474                            | 790,474                                    |
| <br>Total assets                        | <br><u>113,384</u>    | <br><u>2,410</u>    | <br><u>115,794</u>    | <br><u>1,557,894</u>               | <br><u>1,673,688</u>                       |
| <br><u>Liabilities and fund balance</u> |                       |                     |                       |                                    |  |
| Liabilities:                            |                       |                     |                       |                                    |  |
| Accounts payable                        | 34,216                | 800                 | 35,016                | -                                  | 35,016                                     |
| Deferred revenue                        | 36,196                | -                   | 36,196                | -                                  | 36,196                                     |
| Due to other funds                      | 40,970                | -                   | 40,970                | -                                  | 40,970                                     |
| <br>Total liabilities                   | <br><u>111,382</u>    | <br><u>800</u>      | <br><u>112,182</u>    | <br><u>-</u>                       | <br><u>112,182</u>                         |
| Fund balance:                           |                       |                     |                       |                                    |  |
| Reserved:                               |                       |                     |                       |                                    |  |
| For prepaid expenditures                | 113,384               | -                   | 113,384               | -                                  | 113,384                                    |
| For debt service                        | -                     | -                   | -                     | 790,474                            | 790,474                                    |
| Unreserved, undesignated                | (111,382)             | 1,610               | (109,772)             | 767,420                            | 657,648                                    |
| <br>Total fund balances                 | <br><u>2,002</u>      | <br><u>1,610</u>    | <br><u>3,612</u>      | <br><u>1,557,894</u>               | <br><u>1,561,506</u>                       |
| <br>Total liabilities and fund balances | <br><u>\$ 113,384</u> | <br><u>\$ 2,410</u> | <br><u>\$ 115,794</u> | <br><u>\$ 1,557,894</u>            | <br><u>\$ 1,673,688</u>                    |

CITY OF WEST JORDAN  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the fiscal year ended June 30, 2004

|  | Special Revenue     |                    |                 | Capital Projects<br>Fund           | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|---------------------|--------------------|-----------------|------------------------------------|--|
|  | Western<br>Stampede | Fairway<br>Estates | Total           | Municipal<br>Building<br>Authority |  |
| Revenues:  |                     |                    |                 |                                    |  |
| Taxes  | \$ -                | \$ 7,351           | \$ 7,351        | \$ -                               | \$ 7,351                                   |
| Charges for services   | 112,517             | -                  | 112,517         | -                                  | 112,517                                    |
| Interest   | -                   | 62                 | 62              | 15,384                             | 15,446                                     |
| Total revenues   | <u>112,517</u>      | <u>7,413</u>       | <u>119,930</u>  | <u>15,384</u>                      | <u>135,314</u>                             |
| Expenditures   |                     |                    |                 |                                    |  |
| Current:   |                     |                    |                 |                                    |  |
| Parks and recreation   | 147,446             | 7,519              | 154,965         | -                                  | 154,965                                    |
| Debt service:  |                     |                    |                 |                                    |  |
| Principal payments   | -                   | -                  | -               | 390,000                            | 390,000                                    |
| Interest and fiscal charges                                  | -                   | -                  | -               | 318,899                            | 318,899                                    |
| Total expenditures   | <u>147,446</u>      | <u>7,519</u>       | <u>154,965</u>  | <u>708,899</u>                     | <u>863,864</u>                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(34,929)</u>     | <u>(106)</u>       | <u>(35,035)</u> | <u>(693,515)</u>                   | <u>(728,550)</u>                           |
| Other financing sources (uses):                              |                     |                    |                 |                                    |  |
| Transfers in   | <u>30,000</u>       | <u>-</u>           | <u>30,000</u>   | <u>710,399</u>                     | <u>740,399</u>                             |
| Total other financing sources (uses)                         | <u>30,000</u>       | <u>-</u>           | <u>30,000</u>   | <u>710,399</u>                     | <u>740,399</u>                             |
| Net change in fund balance                                   | (4,929)             | (106)              | (5,035)         | 16,884                             | 11,849                                     |
| Fund balance, beginning,                                     | 6,931               | 1,716              | 8,647           | 1,541,010                          | 1,549,657                                  |
| Fund balances, ending  | <u>\$ 2,002</u>     | <u>\$ 1,610</u>    | <u>\$ 3,612</u> | <u>\$ 1,557,894</u>                | <u>\$ 1,561,506</u>                        |

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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, 2004

|                                      | Budgeted Amounts |                 | Actual<br>Amounts | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-----------------|-------------------|---|
|                                      | Original         | Final           |                   |   |
| Revenues:                            |                  |                 |                   |   |
| Charges for services                 | \$ 114,200       | \$ 114,200      | \$ 112,517        | \$ (1,683)  |
| Total revenues                       | <u>114,200</u>   | <u>114,200</u>  | <u>112,517</u>    | <u>(1,683)</u>  |
| Expenditures:                        |                  |                 |                   |   |
| Parks and recreation                 | 143,000          | 143,000         | 147,446           | (4,446)   |
| Total expenditures                   | <u>143,000</u>   | <u>143,000</u>  | <u>147,446</u>    | <u>(4,446)</u>  |
| Excess of revenues over expenditures | <u>(28,800)</u>  | <u>(28,800)</u> | <u>(34,929)</u>   | <u>(6,129)</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           | 1,200            | 1,200           | (4,929)           | (6,129)   |
| Fund balance-beginning               | 6,931            | 6,931           | 6,931             | -   |
| Fund balance-ending                  | <u>\$ 6,931</u>  | <u>\$ 6,931</u> | <u>\$ 2,002</u>   | <u>\$ (6,129)</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, 2004

|                                      | Budgeted Amounts       |                        | Actual<br>Amounts      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------|------------------------|------------------------|------------------------|---|
|                                      | Original               | Final                  |                        |   |
| Revenues:                            |                        |                        |                        |   |
| Taxes                                | \$ 7,534               | \$ 7,534               | \$ 7,351               | \$ (183)  |
| Interest                             | -                      | -                      | 62                     | 62  |
| Total revenues                       | <u>7,534</u>           | <u>7,534</u>           | <u>7,413</u>           | <u>(121)</u>  |
| Expenditures:                        |                        |                        |                        |   |
| Parks and recreation                 | <u>7,534</u>           | <u>7,534</u>           | <u>7,519</u>           | <u>15</u>   |
| Total expenditures                   | <u>7,534</u>           | <u>7,534</u>           | <u>7,519</u>           | <u>15</u>   |
| Excess of revenues over expenditures | <u>-</u>               | <u>-</u>               | <u>(106)</u>           | <u>136</u>  |
| Net change in fund balance           | -                      | -                      | (106)                  | 136   |
| Fund balance-beginning               | <u>1,716</u>           | <u>1,716</u>           | <u>1,716</u>           | <u>-</u>  |
| Fund balance-ending                  | <u><u>\$ 1,716</u></u> | <u><u>\$ 1,716</u></u> | <u><u>\$ 1,610</u></u> | <u><u>\$ 136</u></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, 2004

|  | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget-<br>Positive<br>(Negative) |
|--|---------------------|---------------------|----------------------|--|
|  | Original            | Final               |                      |  |
| Revenues:  |                     |                     |                      |  |
| Sales Tax  | \$ 1,822,275        | \$ 1,822,275        | \$ 1,818,675         | \$ (3,600)   |
| Charges for services   | 351,000             | 351,000             | -                    |  |
| Intergovernmental  | 1,205,572           | 1,205,572           | 794,735              | (410,837)  |
| Impact fees  | 5,247,300           | 5,247,300           | 5,512,123            | 264,823  |
| Interest   | 45,000              | 45,000              | 211,761              | 166,761  |
| Miscellaneous  | -                   | -                   | 266,920              | 266,920  |
| Total revenues   | <u>8,671,147</u>    | <u>8,671,147</u>    | <u>8,604,214</u>     | <u>284,067</u>   |
| Expenditures:  |                     |                     |                      |  |
| Current:   |                     |                     |                      |  |
| Community development  | 1,013,598           | 1,013,598           | 383,068              | 630,530  |
| Public works   | -                   | 278,898             | 47,443               | 231,455  |
| Fire   | 68,000              | 68,000              | 67,696               | 304  |
| Debt service:  |                     |                     |                      |  |
| Principal  | 1,504,000           | 1,504,000           | 1,503,123            | 877  |
| Interest   | 758,749             | 758,749             | 754,049              | 4,700  |
| Capital outlay:  |                     |                     |                      |  |
| Roads  | 1,860,310           | 1,889,013           | 1,391,650            | 497,363  |
| Parks  | 4,849,200           | 5,742,200           | 519,170              | 5,223,030  |
| Storm sewer  | 591,000             | 4,713,629           | 2,709,324            | 2,004,305  |
| Buildings  | 2,091,356           | 3,363,507           | 3,253,605            | 109,902  |
| Total expenditures   | <u>12,736,213</u>   | <u>19,331,594</u>   | <u>10,629,128</u>    | <u>8,702,466</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures   | <u>(4,065,066)</u>  | <u>(10,660,447)</u> | <u>(2,024,914)</u>   | <u>8,986,533</u>   |
| Other financing sources (uses):  |                     |                     |                      |  |
| Operating transfers in   | 361,369             | 361,369             | 337,622              | 23,747   |
| Sale of land   | 400,000             | 1,415,000           | 2,012,953            | 597,953  |
| Net other financing sources  | <u>761,369</u>      | <u>1,776,369</u>    | <u>2,350,575</u>     | <u>621,700</u>   |
| Excess (deficiency) of revenues and other<br>financing sources over (under) expenditures<br>and other financing uses | (4,065,066)         | (8,884,078)         | 325,661              | 9,608,233  |
| Fund balance, beginning  | 12,290,902          | 12,290,902          | 12,290,902           | -  |
| Fund balance, ending   | <u>\$ 8,225,836</u> | <u>\$ 3,406,824</u> | <u>\$ 12,616,563</u> | <u>\$ 9,608,233</u>                                      |

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, 2004

|   | Budgeted Amounts    |                     | Actual<br>Amounts   | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               |                     |   |
| Revenues:   |                     |                     |                     |   |
| Interest  | \$ 7,500            | \$ 7,500            | \$ 15,384           | \$ 7,884  |
| Total revenues  | <u>7,500</u>        | <u>7,500</u>        | <u>15,384</u>       | <u>7,884</u>  |
| Expenditures  |                     |                     |                     |   |
| Debt service:   |                     |                     |                     |   |
| Principal payments  | 390,000             | 390,000             | 390,000             | -   |
| Interest and fiscal charges                                     | 320,399             | 320,399             | 318,899             | 1,500   |
| Capital outlay:   |                     |                     |                     |   |
| Buildings   | <u>6,400,000</u>    | <u>6,400,000</u>    | <u>-</u>            | <u>6,400,000</u>  |
| Total expenditures  | <u>7,110,399</u>    | <u>7,110,399</u>    | <u>708,899</u>      | <u>6,401,500</u>  |
| Excess of (deficiency) of revenues<br>over (under) expenditures | <u>(701,215)</u>    | <u>(701,215)</u>    | <u>(693,515)</u>    | <u>6,409,384</u>  |
| Other financing sources (uses):                                 |                     |                     |                     |   |
| Bond proceeds   | 7,340,000           | 7,340,000           | -                   | (7,340,000)   |
| Bond issuance costs   | (940,000)           | (940,000)           | -                   | 940,000   |
| Transfers in  | <u>710,399</u>      | <u>710,399</u>      | <u>710,399</u>      | <u>-</u>  |
| Total other financing sources                                   | <u>7,110,399</u>    | <u>7,110,399</u>    | <u>710,399</u>      | <u>(6,400,000)</u>  |
| Net change in fund balance                                      | 7,500               | 7,500               | 16,884              | 6,409,384   |
| Fund balance-beginning  | <u>1,541,010</u>    | <u>1,541,010</u>    | <u>1,541,010</u>    | <u>-</u>  |
| Fund balance-ending   | <u>\$ 1,541,010</u> | <u>\$ 1,541,010</u> | <u>\$ 1,557,894</u> | <u>\$ 6,409,384</u>                                       |

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## **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, 2004

|  | Budgeted Amounts    |                     | Actual<br>Amounts    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|----------------------|---|
|  | Original            | Final               |                      |   |
| <b>Revenues:</b>                             |                     |                     |                      |   |
| Taxes  | \$ 22,000,699       | 22,000,699          | 21,220,735           | \$ (779,964)  |
| Licenses and permits                         | 1,793,000           | 2,002,770           | 2,777,196            | 774,426   |
| Intergovernmental                            | 2,855,798           | 3,148,500           | 3,329,051            | 180,551   |
| Charges for services                         | 3,486,527           | 3,516,527           | 3,807,052            | 290,525   |
| Fines and forfeitures                        | 1,660,000           | 1,660,000           | 1,822,690            | 162,690   |
| Interest income                              | 140,000             | 140,000             | 155,212              | 15,212  |
| Miscellaneous                                | 101,200             | 101,200             | 129,942              | 28,742  |
| <b>Total revenues</b>                        | <b>32,037,224</b>   | <b>32,569,696</b>   | <b>33,241,878</b>    | <b>672,182</b>  |
| <b>Expenditures:</b>                         |                     |                     |                      |   |
| <b>General government:</b>                   |                     |                     |                      |   |
| Mayor & city council                         | 234,066             | 234,066             | 223,171              | 10,895  |
| Boards & commissions                         | 130,109             | 132,109             | 130,760              | 1,349   |
| Court  | 638,892             | 638,892             | 605,329              | 33,563  |
| City manager                                 | 423,836             | 423,836             | 420,594              | 3,242   |
| Support services                             | 290,051             | 290,051             | 287,373              | 2,678   |
| Management information systems               | 971,867             | 1,058,051           | 1,061,409            | (3,358)   |
| Facilities                                   | 568,250             | 590,250             | 606,832              | (16,582)  |
| Human resources                              | 269,167             | 269,167             | 268,506              | 661   |
| Accounting                                   | 683,616             | 683,616             | 648,463              | 35,153  |
| Treasury                                     | 250,987             | 250,987             | 244,719              | 6,268   |
| Recorder                                     | 223,770             | 223,770             | 214,152              | 9,618   |
| Election                                     | 72,100              | 72,100              | 72,100               | -   |
| Attorney                                     | 665,289             | 690,289             | 681,381              | 8,908   |
| Nondepartmental                              | 1,072,955           | 1,097,955           | 918,004              | 179,951   |
| <b>Total general government</b>              | <b>6,494,955</b>    | <b>6,655,139</b>    | <b>6,382,793</b>     | <b>272,346</b>  |
| <b>Community development:</b>                |                     |                     |                      |   |
| Planning & zoning                            | 681,365             | 698,435             | 656,278              | 42,157  |
| Economic development                         | 114,299             | 114,299             | 85,292               | 29,007  |
| Building safety                              | 718,497             | 911,197             | 802,253              | 108,944   |
| <b>Total community development</b>           | <b>1,514,161</b>    | <b>1,723,931</b>    | <b>1,543,823</b>     | <b>180,108</b>  |
| <b>Police:</b>                               |                     |                     |                      |   |
| Support services                             | 2,459,808           | 2,459,808           | 2,321,773            | 138,035   |
| Line services                                | 7,524,812           | 7,634,612           | 7,036,935            | 597,677   |
| Animal control                               | 270,968             | 270,968             | 249,634              | 21,334  |
| <b>Total police</b>                          | <b>10,255,588</b>   | <b>10,365,388</b>   | <b>9,608,342</b>     | <b>757,046</b>  |
| <b>Fire</b>                                  |                     |                     |                      |   |
| 6,467,439                                    | 6,641,341           | 6,546,501           | 94,840               |   |
| <b>Public works:</b>                         |                     |                     |                      |   |
| Public works administration                  | 73,206              | 73,206              | 66,221               | 6,985   |
| Engineering                                  | 1,196,408           | 1,226,408           | 1,171,754            | 54,654  |
| Streets                                      | 2,061,070           | 2,061,070           | 2,023,623            | 37,447  |
| C road projects                              | 3,040,000           | 4,586,733           | 2,263,200            | 2,323,533   |
| <b>Total public works</b>                    | <b>6,370,684</b>    | <b>7,947,417</b>    | <b>5,524,798</b>     | <b>2,422,619</b>  |
| <b>Parks and recreation:</b>                 |                     |                     |                      |   |
| Parks  | 1,463,655           | 1,463,655           | 1,313,795            | 149,860   |
| Cemeteries                                   | 102,059             | 102,059             | 96,663               | 5,396   |
| <b>Total parks and recreation</b>            | <b>1,565,714</b>    | <b>1,565,714</b>    | <b>1,410,458</b>     | <b>155,256</b>  |
| <b>Debt service:</b>                         |                     |                     |                      |   |
| Principal                                    | 254,100             | 254,100             | 251,877              | 2,223   |
| Interest                                     | 95,900              | 95,900              | 95,062               | 838   |
| Capital lease payments - principal           | 129,666             | 129,666             | 119,115              | 10,551  |
| Capital lease payments - interest            | 10,762              | 10,762              | 9,611                | 1,151   |
| <b>Total debt service</b>                    | <b>490,428</b>      | <b>490,428</b>      | <b>475,665</b>       | <b>14,763</b>   |
| <b>Total expenditures</b>                    | <b>33,158,969</b>   | <b>35,389,358</b>   | <b>31,492,380</b>    | <b>3,896,978</b>  |
| <b>Excess of revenues over expenditures</b>  | <b>(1,121,745)</b>  | <b>(2,819,662)</b>  | <b>1,749,498</b>     | <b>4,569,160</b>  |
| <b>Other financing sources (uses):</b>       |                     |                     |                      |   |
| Transfers in                                 | 783,650             | 783,650             | 783,650              | -   |
| Transfers out                                | (752,399)           | (1,113,768)         | (816,796)            | 296,972   |
| <b>Total other financing sources (uses):</b> | <b>31,251</b>       | <b>(330,118)</b>    | <b>(33,146)</b>      | <b>296,972</b>  |
| <b>Net change in fund balance</b>            | <b>(1,090,494)</b>  | <b>(3,149,780)</b>  | <b>1,716,352</b>     | <b>4,866,132</b>  |
| Fund balance-beginning                       | 10,333,532          | 10,333,532          | 10,333,532           | -   |
| <b>Fund balance-ending</b>                   | <b>\$ 9,243,038</b> | <b>\$ 7,183,752</b> | <b>\$ 12,049,884</b> | <b>\$ 4,866,132</b>                                       |

## COMBINING FINANCIAL STATEMENTS

### INTERNAL SERVICE FUNDS

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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.

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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, 2004

|   | <u>Fleet<br/>Operations</u> | <u>Risk<br/>Management</u> | <u>Total</u>        |
|---|-----------------------------|----------------------------|---------------------|
| <u>Assets</u>                                   |                             |                            |                     |
| Current assets:                                 |                             |                            |                     |
| Cash and cash equivalents                       | \$ 6,059,445                | \$ 923,700                 | \$ 6,983,145        |
| Inventory                                       | <u>57,992</u>               | <u>-</u>                   | <u>57,992</u>       |
| Total current assets                            | <u>6,117,437</u>            | <u>923,700</u>             | <u>7,041,137</u>    |
| Noncurrent assets:                              |                             |                            |                     |
| Capital assets:                                 |                             |                            |                     |
| Machinery and equipment                         | 9,743,462                   | -                          | 9,743,462           |
| Less accumulated depreciation                   | <u>(7,341,791)</u>          | <u>-</u>                   | <u>(7,341,791)</u>  |
| Total noncurrent assets                         | <u>2,401,671</u>            | <u>-</u>                   | <u>2,401,671</u>    |
| Total assets                                    | <u>8,519,108</u>            | <u>923,700</u>             | <u>9,442,808</u>    |
| Current liabilities:                            |                             |                            |                     |
| Accounts payable                                | 51,519                      | 23,766                     | 75,285              |
| Payroll payable                                 | 25,255                      | -                          | 25,255              |
| Current portion capital lease payable           | 28,205                      | -                          | 28,205              |
| Other accrued payables                          | <u>-</u>                    | <u>477,318</u>             | <u>477,318</u>      |
| Total current liabilities                       | <u>104,979</u>              | <u>501,084</u>             | <u>606,063</u>      |
| Non-current liabilities:                        |                             |                            |                     |
| Accrued vacation and sick leave                 | 34,485                      | -                          | 34,485              |
| Capital lease payable                           | <u>78,424</u>               | <u>-</u>                   | <u>78,424</u>       |
| Total noncurrent liabilities                    | <u>112,909</u>              | <u>-</u>                   | <u>112,909</u>      |
| Net assets                                      |                             |                            |                     |
| Invested in capital assets, net of related debt | 2,295,042                   | -                          | 2,295,042           |
| Unrestricted                                    | <u>6,006,178</u>            | <u>422,616</u>             | <u>6,428,794</u>    |
| Total net assets                                | <u>\$ 8,301,220</u>         | <u>\$ 422,616</u>          | <u>\$ 8,723,836</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, 2004

|                                      | <u>Fleet<br/>Operations</u> | <u>Risk<br/>Management</u> | <u>Total</u>        |
|--------------------------------------|-----------------------------|----------------------------|---------------------|
| Operating revenues:                  |                             |                            |                     |
| Charges for services-internal        | \$ 2,127,084                | \$ 1,048,523               | \$ 3,175,607        |
| Operating expenses:                  |                             |                            |                     |
| Depreciation                         | 671,998                     | -                          | 671,998             |
| Salaries and benefits                | 526,508                     | -                          | 526,508             |
| Professional and technical           | 4,073                       | 1,254,667                  | 1,258,740           |
| Supplies and maintenance             | 685,941                     | -                          | 685,941             |
| Total operating expenses             | <u>1,888,520</u>            | <u>1,254,667</u>           | <u>3,143,187</u>    |
| Operating income (loss)              | <u>238,564</u>              | <u>(206,144)</u>           | <u>32,420</u>       |
| Nonoperating revenues (expenses):    |                             |                            |                     |
| Interest earnings                    | 75,260                      | 3,784                      | 79,044              |
| Interest expense                     | (4,965)                     | -                          | (4,965)             |
| Sundry revenue                       | 170                         | -                          | 170                 |
| Gain (loss) on disposal of equipment | 50,065                      | -                          | 50,065              |
| Total nonoperating revenues          | <u>120,530</u>              | <u>3,784</u>               | <u>124,314</u>      |
| Income (loss) before transfers       | 359,094                     | (202,360)                  | 156,734             |
| Transfers in                         | <u>113,163</u>              | <u>-</u>                   | <u>113,163</u>      |
| Changes in net assets                | 472,257                     | (202,360)                  | 269,897             |
| Net assets, beginning                | 7,828,963                   | 624,976                    | 8,453,939           |
| Net assets, ending                   | <u>\$ 8,301,220</u>         | <u>\$ 422,616</u>          | <u>\$ 8,723,836</u> |

CITY OF WEST JORDAN  
Internal Service Funds  
Combining Statement of Cash Flows  
For the fiscal year ended June 30, 2004

|  | <u>Fleet<br/>Operations</u> | <u>Risk<br/>Management</u> | <u>Total</u>        |
|--|-----------------------------|----------------------------|---------------------|
| Increase (decrease) in cash and cash equivalents             |                             |                            |                     |
| Cash flows from operating activities:                        |                             |                            |                     |
| Cash received from quasi-external transactions               | \$ 2,127,084                | \$ 1,048,523               | \$ 3,175,607        |
| Cash payments for goods/services                             | (684,737)                   | (1,129,106)                | (1,813,843)         |
| Cash payments to employees                                   | (519,667)                   | -                          | (519,667)           |
| Net cash provided by (used in)<br>operating activities       | <u>922,680</u>              | <u>(80,583)</u>            | <u>842,097</u>      |
| Cash flows from noncapital financing activities:             |                             |                            |                     |
| Other receipts   | 170                         | -                          | 170                 |
| Transfers in   | 113,163                     | -                          | 113,163             |
| Net cash provided by noncapital<br>financing activities      | <u>113,333</u>              | <u>-</u>                   | <u>113,333</u>      |
| Cash flows from capital and related financing activities:    |                             |                            |                     |
| Acquisition of capital assets                                | (658,463)                   | -                          | (658,463)           |
| Payments made on capital leases                              | (27,077)                    | -                          | (27,077)            |
| Interest paid on capital leases                              | (4,965)                     | -                          | (4,965)             |
| Proceeds from sale of capital assets                         | 50,065                      | -                          | 50,065              |
| Net cash used in capital and related<br>financing activities | <u>(640,440)</u>            | <u>-</u>                   | <u>(640,440)</u>    |
| Cash flows from investing activities:                        |                             |                            |                     |
| Interest on investments                                      | 75,260                      | 3,784                      | 79,044              |
| Net cash provided by investing activities                    | <u>75,260</u>               | <u>3,784</u>               | <u>79,044</u>       |
| Net increase (decrease) in cash and cash equivalents         | 470,833                     | (76,799)                   | 394,034             |
| Beginning cash and cash equivalents                          | <u>5,588,612</u>            | <u>1,000,499</u>           | <u>6,589,111</u>    |
| Ending cash and cash equivalents                             | <u>\$ 6,059,445</u>         | <u>\$ 923,700</u>          | <u>\$ 6,983,145</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, 2004

|   | <u>Fleet<br/>Operations</u> | <u>Risk<br/>Management</u> | <u>Total</u>      |
|---|-----------------------------|----------------------------|-------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: |                             |                            |                   |
| Operating income (loss)   | \$ 238,564                  | \$ (206,144)               | \$ 32,420         |
| Adjustments to operating income (loss):   |                             |                            |                   |
| Depreciation  | 671,998                     | -                          | 671,998           |
| Change in assets and liabilities:   |                             |                            |                   |
| Inventory   | (2,211)                     | -                          | (2,211)           |
| Accounts payable  | 7,488                       | (5,835)                    | 1,653             |
| Payroll payable   | 3,509                       | -                          | 3,509             |
| Other accrued payables  | -                           | 131,396                    | 131,396           |
| Compensated absences  | <u>3,332</u>                | <u>-</u>                   | <u>3,332</u>      |
| Total adjustments to operating income (loss)  | <u>684,116</u>              | <u>125,561</u>             | <u>809,677</u>    |
| Net cash provided by (used in) operating activities   | <u>\$ 922,680</u>           | <u>\$ (80,583)</u>         | <u>\$ 842,097</u> |

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## STATISTICAL SECTION

## STATISTICAL SECTION

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

| <b><u>Contents</u></b>   | <b><u>Page</u></b> |
|--|--------------------|
| <b>Financial Trends</b><br>These schedules provide trend information to help the reader understand how the City's financial performance and economic condition have changed over time.   | <b>84 - 89</b>     |
| <b>Revenue Capacity</b><br>These schedules present information to help the reader assess the City's most significant local revenue sources: sales taxes and property taxes.  | <b>90 - 96</b>     |
| <b>Debt Capacity</b><br>These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.                            | <b>97 - 103</b>    |
| <b>Demographic and Economic Information</b><br>These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                  | <b>104 - 105</b>   |
| <b>Operating Information</b><br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | <b>106 - 108</b>   |

Note: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 44 in 2004; new information required by GASB 44 is shown prospectively except in those cases in which prior year information was readily available. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Schedule 1  
CITY OF WEST JORDAN  
Net Assets by Component  
Last Two Fiscal Years  
(accrual basis of accounting)

|   | Fiscal Year           |                       |
|---|-----------------------|-----------------------|
|   | 2003                  | 2004                  |
| Governmental activities                         |                       |                       |
| Invested in capital assets, net of related debt | \$ 234,412,518        | \$ 240,135,688        |
| Restricted                                      | 5,695,208             | 7,265,197             |
| Unrestricted                                    | 33,258,754            | 34,740,396            |
| Total governmental activities net assets        | <u>273,366,480</u>    | <u>282,141,281</u>    |
| Business-type activities                        |                       |                       |
| Invested in capital assets, net of related debt | 69,287,844            | 77,494,004            |
| Restricted                                      | 400,321               | 3,942,620             |
| Unrestricted                                    | 25,350,504            | 24,974,496            |
| Total business-type activities net assets       | <u>95,038,669</u>     | <u>106,411,120</u>    |
| Primary government                              |                       |                       |
| Invested in capital assets, net of related debt | 303,700,362           | 317,629,692           |
| Restricted                                      | 6,095,529             | 11,207,817            |
| Unrestricted                                    | 58,609,258            | 59,714,892            |
| Total primary government net assets             | <u>\$ 368,405,149</u> | <u>\$ 388,552,401</u> |

Schedule 2  
CITY OF WEST JORDAN  
Changes in Net Assets  
Last Two Fiscal Years  
(accrual basis of accounting)

|   | Fiscal Year          |                      |
|---|----------------------|----------------------|
|   | 2003                 | 2004                 |
| <b>Expenses</b>                           |                      |                      |
| Governmental activities                   |                      |                      |
| General government                        | \$ 5,114,827         | \$ 4,578,769         |
| Community development                     | 1,851,575            | 2,284,598            |
| Police                                    | 9,100,682            | 9,741,809            |
| Fire                                      | 5,629,061            | 7,081,016            |
| Public works                              | 10,211,767           | 11,180,441           |
| Parks and recreation                      | 2,207,450            | 2,175,055            |
| Interest on long-term debt                | 1,353,890            | 1,257,289            |
| Total governmental activities             | <u>35,469,252</u>    | <u>38,298,977</u>    |
| Business-type activities                  |                      |                      |
| Water                                     | 8,199,704            | 9,837,122            |
| Sewer                                     | 4,645,292            | 4,255,135            |
| Solid waste                               | 2,225,315            | 2,660,084            |
| Total business-type activities            | <u>15,070,311</u>    | <u>16,752,341</u>    |
| Total primary government expenses         | <u>\$ 50,539,563</u> | <u>\$ 55,051,318</u> |
| <b>Program Revenues</b>                   |                      |                      |
| Governmental activities                   |                      |                      |
| Charges for services                      |                      |                      |
| General government                        | \$ 1,692,327         | \$ 2,074,621         |
| Community development                     | 2,022,160            | 3,047,506            |
| Police                                    | 91,109               | 364,893              |
| Fire                                      | 556,080              | 1,010,853            |
| Public works                              | 455,769              | 3,434,542            |
| Parks and recreation                      | 205,634              | 2,378,810            |
| Operating grants and contributions        | 900,802              | 830,090              |
| Capital grants and contributions          | 30,819,544           | 5,912,065            |
| Total governmental activities             | <u>36,743,425</u>    | <u>19,053,380</u>    |
| Business-type activities                  |                      |                      |
| Charges for services                      |                      |                      |
| Water                                     | 8,268,126            | 12,453,320           |
| Sewer                                     | 4,045,415            | 6,544,882            |
| Solid waste                               | 2,349,976            | 2,865,097            |
| Operating grants and contributions        | -                    | -                    |
| Capital grants and contributions          | 4,188,463            | 6,832,403            |
| Total business-type activities            | <u>18,851,980</u>    | <u>28,695,702</u>    |
| Total primary government program revenues | <u>\$ 55,595,405</u> | <u>\$ 47,749,082</u> |

Schedule 2  
CITY OF WEST JORDAN  
Changes in Net Assets (continued)  
Last Two Fiscal Years  
(accrual basis of accounting)

|  | Fiscal Year          |                       |
|--|----------------------|-----------------------|
|  | 2003                 | 2004                  |
| Net (Expense)/Revenue                            |                      |                       |
| Governmental activities                          | \$ 1,274,173         | \$ (19,245,597)       |
| Business-type activities                         | 3,781,669            | 11,943,361            |
| Total primary government net (expense)/revenue   | <u>\$ 5,055,842</u>  | <u>\$ (7,302,236)</u> |
| General Revenues and Other Changes in Net Assets |                      |                       |
| Governmental activities                          |                      |                       |
| Taxes  |                      |                       |
| Property taxes                                   | \$ 9,014,489         | \$ 8,257,155          |
| Tax increments for redevelopment agency          | 1,927,527            | 1,864,268             |
| Sales taxes                                      | 10,422,430           | 11,406,021            |
| Franchise taxes                                  | 2,910,135            | 3,398,841             |
| Fee-in-lieu of property taxes                    | 938,140              | 909,928               |
| Impact fees                                      | 4,893,627            | -                     |
| Earnings on investments                          | 588,437              | 482,850               |
| Miscellaneous                                    | 406,400              | 1,664,569             |
| Transfers  | (300,000)            | 36,766                |
| Total governmental activities                    | <u>30,801,185</u>    | <u>28,020,398</u>     |
| Business-type activities                         |                      |                       |
| Impact fees                                      | 2,522,059            | -                     |
| Earnings on investments                          | 112,845              | 118,841               |
| Miscellaneous                                    | 261,507              | (652,986)             |
| Transfers  | 300,000              | (36,766)              |
| Total business-type activities                   | <u>3,196,411</u>     | <u>(570,911)</u>      |
| Total primary government                         | <u>\$ 33,997,596</u> | <u>\$ 27,449,487</u>  |
| Change in Net Assets                             |                      |                       |
| Governmental activities                          | \$ 32,075,358        | \$ 8,774,801          |
| Business-type activities                         | 6,978,080            | 11,372,450            |
| Total primary government                         | <u>\$ 39,053,438</u> | <u>\$ 20,147,251</u>  |

Schedule 3  
CITY OF WEST JORDAN  
Fund Balances, Governmental Funds  
Last Two Fiscal Years  
(modified accrual basis of accounting)

|                                    | Fiscal Year   |               |
|------------------------------------|---------------|---------------|
|                                    | 2003          | 2004          |
| General Fund                       |               |               |
| Reserved                           | \$ 4,338,551  | \$ 4,093,173  |
| Unreserved                         | 5,994,981     | 7,956,711     |
| Total general fund                 | 10,333,532    | 12,049,884    |
| All Other Governmental Funds       |               |               |
| Reserved                           | 10,408,268    | 9,541,976     |
| Unreserved, reported in:           |               |               |
| Capital projects funds             | 3,509,318     | 4,846,143     |
| Special revenue funds              | 1,456,330     | 1,355,916     |
| Total all other governmental funds | 15,373,916    | 15,744,035    |
| Total governmental funds           | \$ 25,707,448 | \$ 27,793,919 |

Schedule 4  
CITY OF WEST JORDAN  
Changes in Fund Balances, Governmental Funds  
Last Two Fiscal Years  
(modified accrual basis of accounting)

|  | Fiscal Year         |                     |
|--|---------------------|---------------------|
|  | 2003                | 2004                |
| <b>Revenues</b>  |                     |                     |
| Taxes  | \$ 22,967,051       | \$ 24,911,029       |
| Licenses and permits   | 1,923,378           | 2,777,196           |
| Intergovernmental  | 4,079,779           | 4,123,786           |
| Charges for services   | 3,195,167           | 3,919,569           |
| Fines and forfeitures  | 1,442,294           | 1,822,690           |
| Impact fees  | 4,893,627           | 5,512,123           |
| Interest   | 492,384             | 403,806             |
| Donations  | 75,000              | -                   |
| Miscellaneous  | 129,925             | 396,862             |
| <b>Total revenues</b>  | <b>39,198,605</b>   | <b>43,867,061</b>   |
| <b>Expenditures</b>  |                     |                     |
| General government   | 5,903,391           | 6,382,793           |
| Community development  | 1,778,198           | 2,269,901           |
| Police   | 8,962,448           | 9,608,342           |
| Fire   | 5,514,809           | 6,614,197           |
| Public works   | 5,088,531           | 5,572,241           |
| Parks and recreation   | 1,664,256           | 1,565,423           |
| Debt Service   |                     |                     |
| Principal  | 2,674,449           | 3,634,301           |
| Interest   | 1,297,503           | 1,196,199           |
| Capital outlay   | 4,629,343           | 7,873,749           |
| <b>Total expenditures</b>  | <b>37,512,928</b>   | <b>44,717,146</b>   |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>1,685,677</b>    | <b>(850,085)</b>    |
| <b>Other Financing Sources (Uses)</b>                            |                     |                     |
| Proceeds-bond issuance   | -                   | 1,000,000           |
| Sale of land   | 122,698             | 2,012,953           |
| Transfers in   | 2,103,972           | 1,861,671           |
| Transfers out  | (2,291,175)         | (1,938,068)         |
| <b>Total other financing sources (uses)</b>                      | <b>(64,505)</b>     | <b>2,936,556</b>    |
| <b>Net change in fund balances</b>                               | <b>\$ 1,621,172</b> | <b>\$ 2,086,471</b> |
| <b>Debt service as a percentage of noncapital expenditures</b>   | <b>12.1%</b>        | <b>13.1%</b>        |

Schedule 5  
CITY OF WEST JORDAN  
Tax Revenues by Source, Governmental Funds  
Last Ten Fiscal Years

| Fiscal<br>Year | Property<br>Tax (1) | Motor Vehicle<br>Fee-in-lieu of<br>Property Tax | Sales<br>Tax | Franchise<br>Tax | Total        |
|----------------|---------------------|---|--------------|------------------|--------------|
| 1995           | \$ 2,541,540        | \$ 254,386                                      | \$ 4,572,162 | \$ 1,389,015     | \$ 8,757,103 |
| 1996           | 2,781,036           | 303,264   | 5,098,953    | 1,421,668        | 9,604,921    |
| 1997           | 3,250,199           | 387,942   | 6,496,655    | 1,614,113        | 11,748,909   |
| 1998           | 3,386,455           | 563,350   | 6,075,692    | 1,911,240        | 11,936,737   |
| 1999           | 3,736,559           | 616,623   | 6,743,350    | 1,893,352        | 12,989,884   |
| 2000           | 4,014,328           | 545,800   | 7,752,399    | 1,943,231        | 14,255,758   |
| 2001           | 4,884,985           | 600,006   | 9,225,689    | 2,607,900        | 17,318,580   |
| 2002           | 6,494,924           | 808,441   | 10,530,861   | 3,244,274        | 21,078,500   |
| 2003           | 8,696,346           | 938,140   | 10,422,430   | 2,910,135        | 22,967,051   |
| 2004           | 9,196,239           | 909,928   | 11,406,021   | 3,398,841        | 24,911,029   |
| Growth         |                     |   |              |                  |              |
| 1995-2004      | 261.8%              | 257.7%  | 149.5%       | 144.7%           | 184.5%       |

Note: As part of the implementation of GASB 34 in 2003, the redevelopment agency is included with the governmental funds.

(1) Includes penalties and interest.

Schedule 6  
 CITY OF WEST JORDAN  
 Direct Taxable Sales by Category  
 Last Five Calendar Years

| Calendar<br>Year | Category       |               |                                      |               |                | City Direct<br>Sales Tax<br>Rate |
|------------------|----------------|---------------|--------------------------------------|---------------|----------------|----------------------------------|
|                  | Retail         | Services      | Business<br>Equipment<br>& Utilities | Other         | Total          |                                  |
| 1999             | \$ 366,306,244 | \$ 35,120,184 | \$ 95,300,957                        | \$ 33,854,185 | \$ 530,581,570 | 1.000 %                          |
| 2000             | 441,362,445    | 45,766,958    | 115,732,778                          | 31,838,347    | 634,700,528    | 1.000                            |
| 2001             | 499,779,073    | 53,013,987    | 96,822,383                           | 35,538,938    | 685,154,381    | 1.000                            |
| 2002             | 645,256,966    | 56,953,637    | 111,821,493                          | 28,726,768    | 842,758,864    | 1.000                            |
| 2003             | 721,372,070    | 59,432,966    | 127,965,982                          | 66,052,345    | 974,823,363    | 1.000                            |

Source: Utah State Tax Commission

Schedule 7  
CITY OF WEST JORDAN  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

| Fiscal Year | Primary Residential Property | Other Property   | Less: Adjustments | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Value (1) | Assessed Value as a Percentage of Actual Value |
|-------------|------------------------------|------------------|-------------------|------------------------------|-----------------------|----------------------------|--|
| 1995        | N/A                          | N/A              | N/A               | \$ 951,697,228               | 0.002828              | \$ 1,359,567,469           | 70.00 %  |
| 1996        | N/A                          | N/A              | N/A               | 1,255,723,451                | 0.002346              | 1,793,890,644              | 70.00  |
| 1997        | N/A                          | N/A              | N/A               | 1,455,378,195                | 0.002277              | 2,079,111,707              | 70.00  |
| 1998        | N/A                          | N/A              | N/A               | 1,539,816,473                | 0.002143              | 2,199,737,819              | 70.00  |
| 1999        | N/A                          | N/A              | N/A               | 1,607,515,782                | 0.002150              | 2,296,451,118              | 70.00  |
| 2000        | N/A                          | N/A              | N/A               | 1,753,573,920                | 0.002198              | 2,505,105,600              | 70.00  |
| 2001        | N/A                          | N/A              | N/A               | 2,036,053,281                | 0.002296              | 2,908,647,544              | 70.00  |
| 2002        | N/A                          | N/A              | N/A               | 2,407,894,022                | 0.002483              | 3,929,972,290              | 61.27  |
| 2003        | N/A                          | N/A              | N/A               | 2,647,019,329                | 0.002419              | 4,453,262,667              | 59.44  |
| 2004        | \$ 1,913,727,274             | \$ 1,089,015,730 | \$ 265,116,877    | 2,737,626,127                | 0.002466              | 4,568,519,865              | 59.92  |

Note: Property in Salt Lake County is reassessed once every five years on average. The county assesses non-residential property at actual value and assesses residential property at 55 percent of actual value. Estimated actual value of residential property is calculated by dividing assessed value by 55 percent. Tax rates are per dollar of assessed value.

(1) Years preceding 2002 were based on estimated ratio of assessed to market value. Years 2002 and 2003 are estimated based on ratio of assessed to market value for the prior fiscal year. Year 2004 is estimated based on ratio of assessed to market value for the current fiscal year.

N/A = Not available

Sources: Utah State Tax Commission; Salt Lake County Auditor's Office

Schedule 8  
 CITY OF WEST JORDAN  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

| Fiscal Year | Total Tax Levy | Collected within the Fiscal Year of the Levy |                    | Collections in Subsequent Years | Total Collections to Date |                    |
|-------------|----------------|--|--------------------|---------------------------------|---------------------------|--------------------|
|             |                | Amount                                       | Percentage of Levy |                                 | Amount                    | Percentage of Levy |
| 1995        | \$ 1,762,510   | \$ -   | - %                | \$ -                            | \$ 1,754,186              | 99.53 %            |
| 1996        | 1,909,111      | -  | -                  | -                               | 1,911,785                 | 100.14             |
| 1997        | 2,211,801      | -  | -                  | -                               | 2,216,947                 | 100.23             |
| 1998        | 3,378,547      | -  | -                  | -                               | 3,360,662                 | 99.47              |
| 1999        | 3,704,862      | -  | -                  | -                               | 3,706,166                 | 100.04             |
| 2000        | 4,013,369      | -  | -                  | -                               | 3,992,483                 | 99.48              |
| 2001        | 4,940,754      | -  | -                  | -                               | 4,850,688                 | 98.18              |
| 2002        | 6,537,928      | -  | -                  | -                               | 6,466,754                 | 98.91              |
| 2003        | 6,750,625      | -  | -                  | -                               | 6,743,407                 | 99.89              |
| 2004        | 7,387,101      | 7,044,284                                    | 95.36              | -                               | 7,044,284                 | 95.36              |

Note: Years preceding 2004 reflect total collections, including delinquent collections, relative to the tax levy. Year 2004 begins tracking collections by levy year as specified by GASB 44.

Source: Salt Lake County Treasurer

Schedule 9  
 CITY OF WEST JORDAN  
 Direct and Overlapping Sales Tax Rates  
 Last Five Fiscal Years

| Fiscal<br>Year | City<br>Direct<br>Rate (1) | Overlapping Rates |                     |                 |                                | Total   |
|----------------|----------------------------|-------------------|---------------------|-----------------|--------------------------------|---------|
|                |                            | State of<br>Utah  | Salt Lake<br>County | Mass<br>Transit | Botanical,<br>Cultural,<br>Zoo |         |
| 2000           | 1.000 %                    | 4.750 %           | 0.250 %             | 0.250 %         | 0.100 %                        | 6.350 % |
| 2001           | 1.000                      | 4.750             | 0.250               | 0.500           | 0.100                          | 6.600   |
| 2002           | 1.000                      | 4.750             | 0.250               | 0.500           | 0.100                          | 6.600   |
| 2003           | 1.000                      | 4.750             | 0.250               | 0.500           | 0.100                          | 6.600   |
| 2004           | 1.000                      | 4.750             | 0.250               | 0.500           | 0.100                          | 6.600   |

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

(1) Of the total sales taxes assessed by municipalities within the state, 50 percent is distributed based on point of sale and 50 percent is pooled and distributed based on population.

Source: Utah State Tax Commission

Schedule 10  
CITY OF WEST JORDAN  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years

| Fiscal Year | City Direct Rates (1) |              |              | Overlapping Rates |                        |          |          |
|-------------|-----------------------|--------------|--------------|-------------------|------------------------|----------|----------|
|             | Operating             | Debt Service | Total Direct | Salt Lake County  | Jordan School District | Other    | Total    |
| 1995        | 0.002828              | 0.000000     | 0.002828     | 0.005215          | 0.009667               | 0.000396 | 0.018106 |
| 1996        | 0.002346              | 0.000000     | 0.002346     | 0.004848          | 0.007262               | 0.000349 | 0.014805 |
| 1997        | 0.002277              | 0.000000     | 0.002277     | 0.004764          | 0.006392               | 0.000342 | 0.013775 |
| 1998        | 0.002413              | 0.000000     | 0.002413     | 0.004572          | 0.006504               | 0.000400 | 0.013889 |
| 1999        | 0.002150              | 0.000000     | 0.002150     | 0.003828          | 0.006561               | 0.000400 | 0.012939 |
| 2000        | 0.002198              | 0.000000     | 0.002198     | 0.003913          | 0.007582               | 0.000396 | 0.014089 |
| 2001        | 0.002296              | 0.000000     | 0.002296     | 0.003899          | 0.008845               | 0.000377 | 0.015417 |
| 2002        | 0.002483              | 0.000000     | 0.002483     | 0.003789          | 0.008424               | 0.000783 | 0.015479 |
| 2003        | 0.002419              | 0.000000     | 0.002419     | 0.003683          | 0.008344               | 0.000767 | 0.015213 |
| 2004        | 0.002466              | 0.000000     | 0.002466     | 0.003615          | 0.008366               | 0.000789 | 0.015236 |

Note: Overlapping rates are those of other governments and agencies that apply to property owners within the City. Tax rates are per dollar of assessed value.

(1) The City's certified property tax rate may be increased only by a majority vote of the city council, after holding one or more truth-in-taxation public hearings.

Source: Utah State Tax Commission

Schedule 11  
 CITY OF WEST JORDAN  
 Principal Sales Tax Payers  
 Current Fiscal Year

| Taxpayer              | 2004                |      |                                   |
|-----------------------|---------------------|------|-----------------------------------|
|                       | Sales Tax (1)       | Rank | Percentage of Total Sales Tax (1) |
| Wal-Mart Stores       | N/A                 | 1    | N/A                               |
| Sam's Club            | N/A                 | 2    | N/A                               |
| Stock Building Supply | N/A                 | 3    | N/A                               |
| The Home Depot        | N/A                 | 4    | N/A                               |
| Sears Roebuck         | N/A                 | 5    | N/A                               |
| BMC West              | N/A                 | 6    | N/A                               |
| Macey's               | N/A                 | 7    | N/A                               |
| Target                | N/A                 | 8    | N/A                               |
| Smith's               | N/A                 | 9    | N/A                               |
| Lowe's                | N/A                 | 10   | N/A                               |
| Total                 | <u>\$ 4,268,655</u> |      | <u>37.42 %</u>                    |

Note: Sales tax information by individual entity is available for fiscal year 2004 only. Future schedules will show the preceding year comparison information required by GASB 44.

(1) Sales tax information is considered proprietary and cannot be shown by individual payer, so the group is shown in the aggregate.

N/A = Not applicable

Source: Utah State Tax Commission

Schedule 12  
CITY OF WEST JORDAN  
Principal Property Tax Payers  
Current Year and Nine Years Ago

| Taxpayer                 | 2004                  |      |  | 1995                 |      |  |
|--------------------------|-----------------------|------|--|----------------------|------|--|
|                          | Assessed Valuation    | Rank | Percentage of Total Assessed Valuation | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation |
| Jordan Landing LLC       | \$ 83,172,145         | 1    | 3.04 %                                 | \$ -                 |      | - %                                    |
| Jordan Valley Hospital   | 29,798,700            | 2    | 1.09                                   | 16,620,900           | 1    | 1.75                                   |
| Sysco Foods              | 19,951,100            | 3    | 0.73                                   | -                    |      | -                                      |
| WRI West Jordan          | 18,785,500            | 4    | 0.69                                   | -                    |      | -                                      |
| Mtn America Credit Union | 14,612,500            | 5    | 0.53                                   | -                    |      | -                                      |
| Dannon Company Inc       | 14,415,500            | 6    | 0.53                                   | -                    |      | -                                      |
| Sears Roebuck            | 13,552,100            | 7    | 0.50                                   | -                    |      | -                                      |
| Wal-Mart Stores          | 12,442,000            | 8    | 0.45                                   | -                    |      | -                                      |
| Dana Commercial Credit   | 11,259,400            | 9    | 0.41                                   | -                    |      | -                                      |
| Grand Central Inc        | 10,294,700            | 10   | 0.38                                   | -                    |      | -                                      |
| Pacific Coast Bldg Prod  | -                     |      | -                                      | 10,690,943           | 2    | 1.12                                   |
| Broadmoor Holdings Inc   | -                     |      | -                                      | 8,334,515            | 3    | 0.88                                   |
| National Semiconductor   | -                     |      | -                                      | 7,181,430            | 4    | 0.75                                   |
| AIMCO Properties         | -                     |      | -                                      | 6,544,340            | 5    | 0.69                                   |
| Somerset LTD             | -                     |      | -                                      | 6,524,800            | 6    | 0.69                                   |
| South Wire               | -                     |      | -                                      | 6,334,600            | 7    | 0.67                                   |
| GFI - WJ Investment      | -                     |      | -                                      | 6,286,940            | 8    | 0.66                                   |
| UVALCO Shopko Stores     | -                     |      | -                                      | 5,240,700            | 9    | 0.55                                   |
| Price River Pointe Plaza | -                     |      | -                                      | 4,063,490            | 10   | 0.43                                   |
| <b>Total</b>             | <b>\$ 228,283,645</b> |      | <b>8.34 %</b>                          | <b>\$ 77,822,658</b> |      | <b>8.18 %</b>                          |

Source: Salt Lake County Assessor

Schedule 13  
CITY OF WEST JORDAN  
Ratios of Outstanding Debt by Type  
Last Four Fiscal Years

| Fiscal Year | Governmental Activities  |                     |                         |                       |                             |                |                   | Business-Type Activities |                | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|--------------------------|---------------------|-------------------------|-----------------------|-----------------------------|----------------|-------------------|--------------------------|----------------|--------------------------|-----------------------------------|----------------|
|             | General Obligation Bonds | Lease Revenue Bonds | Sales Tax Revenue Bonds | Excise Tax Road Bonds | Tax Increment Revenue Bonds | Capital Leases | Contracts Payable | Water Revenue Bonds      | Capital Leases |                          |                                   |                |
| 2001        | \$ -                     | \$ 7,920,000        | \$ -                    | \$ -                  | \$ 960,000                  | \$ 506,255     | \$ 2,090,000      | \$ 1,675,000             | \$ -           | \$ 13,151,255            | 0.58 %                            | \$ 161         |
| 2002        | -                        | 7,670,000           | 14,460,000              | 4,160,000             | 655,000                     | 389,347        | 2,025,000         | 1,145,000                | -              | 30,504,347               | 1.26                              | 355            |
| 2003        | -                        | 7,305,000           | 13,225,000              | 3,760,000             | 335,000                     | 399,931        | 1,955,000         | 10,500,000               | -              | 37,479,931               | 1.49                              | 426            |
| 2004        | -                        | 6,915,000           | 11,955,000              | 3,350,000             | 1,000,000                   | 253,739        | 1,880,000         | 9,600,000                | 721,483        | 35,675,222               | 1.34                              | 386            |

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

(1) See Schedule 22 for personal income and population data.

Schedule 14  
CITY OF WEST JORDAN  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding |             |       | Percentage of Actual Taxable Value of Property (1) | Per Capita (2) |
|-------------|---------------------------------|-------------|-------|--|----------------|
|             | General Obligation Bonds        | Other Bonds | Total |  |                |
| 1995        | \$ -                            | \$ -        | \$ -  | - %  | \$ -           |
| 1996        | -                               | -           | -     | -  | -              |
| 1997        | -                               | -           | -     | -  | -              |
| 1998        | -                               | -           | -     | -  | -              |
| 1999        | -                               | -           | -     | -  | -              |
| 2000        | -                               | -           | -     | -  | -              |
| 2001        | -                               | -           | -     | -  | -              |
| 2002        | -                               | -           | -     | -  | -              |
| 2003        | -                               | -           | -     | -  | -              |
| 2004        | -                               | -           | -     | -  | -              |

Note: The City has no general bonded debt outstanding as of June 30, 2004. However, a bond election was held in May 2004 in which voters approved up to \$6,750,000 of general obligation bonds for the purpose of constructing a justice center and up to \$4,170,000 of general obligation bonds for the purpose of acquiring open space. The City plans to issue \$10,920,000 of general obligation bonds during fiscal year 2005.

(1) See Schedule 7 for property value data.

(2) See Schedule 22 for population data.

Schedule 15  
CITY OF WEST JORDAN  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2004

| <u>Governmental Unit</u> | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable to<br/>West Jordan (1)</u> | <u>Estimated<br/>Amount<br/>Applicable to<br/>West Jordan</u> |
|--------------------------|-----------------------------|---|---|
| City of West Jordan      | \$ 25,353,739               | 100.00 %  | \$ 25,353,739   |
| Jordan School District   | 181,965,000                 | 16.47   | 29,969,636  |
| Salt Lake County         | 107,140,000                 | 5.67  | <u>6,074,838</u>  |
| Total                    |                             |   | <u><u>\$ 61,398,213</u></u>                                   |

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

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Utah State Tax Commission; Jordan School District; Salt Lake County Auditor's Office

Schedule 16  
CITY OF WEST JORDAN  
Legal Debt Margin Information  
Last Ten Fiscal Years

|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 1995                 | 1996                 | 1997                 | 1998                 | 1999                 | 2000                 | 2001                 | 2002                 | 2003                 | 2004                 |
| Debt Limit   | \$ 54,382,699        | \$ 71,755,626        | \$ 83,164,468        | \$ 87,989,513        | \$ 91,858,045        | \$100,204,224        | \$116,345,902        | \$157,198,892        | \$178,130,507        | \$182,740,795        |
| Total debt applicable to limit                                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Legal debt margin  | <u>\$ 54,382,699</u> | <u>\$ 71,755,626</u> | <u>\$ 83,164,468</u> | <u>\$ 87,989,513</u> | <u>\$ 91,858,045</u> | <u>\$100,204,224</u> | <u>\$116,345,902</u> | <u>\$157,198,892</u> | <u>\$178,130,507</u> | <u>\$182,740,795</u> |
| Total debt applicable to the limit as a percentage of debt limit | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                | 0.00%                |

Legal Debt Margin Calculation for Fiscal Year 2004

|                                 |           |                    |
|---------------------------------|-----------|--------------------|
| Estimated market value          | \$        | 4,568,519,865      |
| Debt limit (4% of market value) |           | 182,740,795        |
| Debt applicable to limit        |           | -                  |
| Legal debt margin               | <u>\$</u> | <u>182,740,795</u> |

Note: The City has no debt applicable to the debt limit outstanding as of June 30, 2004. However, a bond election was held in May 2004 in which voters approved up to \$6,750,000 of general obligation bonds for the purpose of constructing a justice center and up to \$4,170,000 of general obligation bonds for the purpose of acquiring open space. The City plans to issue \$10,920,000 of general obligation bonds during fiscal year 2005.

Sources: Utah State Tax Commission; Salt Lake County Auditor's Office

Schedule 17  
CITY OF WEST JORDAN  
Pledged-Revenue Coverage  
Water Revenue Bonds  
Last Ten Fiscal Years

| Fiscal Year | Gross Revenues(1) | Operating Expenses(2) | Net Revenue Available for Debt Service | Debt Service Requirements (3) |            |            | Coverage |
|-------------|-------------------|-----------------------|--|-------------------------------|------------|------------|----------|
|             |                   |                       |  | Principal                     | Interest   | Total      |          |
| 1995        | \$ 5,759,137      | \$ 4,181,427          | \$ 1,577,710                           | \$ 235,000                    | \$ 219,333 | \$ 454,333 | 3.47     |
| 1996        | 6,546,501         | 5,587,845             | 958,656                                | -                             | 207,433    | 207,433    | 4.62     |
| 1997        | 7,352,336         | 6,528,854             | 823,482                                | -                             | 178,814    | 178,814    | 4.61     |
| 1998        | 7,519,719         | 7,127,479             | 392,240                                | -                             | 141,325    | 141,325    | 2.78     |
| 1999        | 8,954,264         | 8,130,324             | 823,940                                | 35,000                        | 129,927    | 164,927    | 5.00     |
| 2000        | 10,158,308        | 9,076,015             | 1,082,293                              | 320,000                       | 121,168    | 441,168    | 2.45     |
| 2001        | 12,950,898        | 9,655,722             | 3,295,176                              | 500,000                       | 100,623    | 600,623    | 5.49     |
| 2002        | 11,714,058        | 10,435,964            | 1,278,094                              | 530,000                       | 74,350     | 604,350    | 2.11     |
| 2003        | 9,761,397         | 6,621,253             | 3,140,144                              | 1,145,000                     | 68,649     | 1,213,649  | 2.59     |
| 2004        | 12,523,702        | 8,095,110             | 4,428,592                              | 900,000                       | 146,086    | 1,046,086  | 4.23     |

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

- (1) Total revenues (including interest and impact fees). Prior to 2003, amounts shown are for water and sewer combined
- (2) Total operating expenses exclusive of depreciation. Prior to 2003, amounts shown are for water and sewer combined
- (3) Prior to 2003, amounts shown are for water and sewer combined.

Schedule 18  
CITY OF WEST JORDAN  
Pledged-Revenue Coverage  
Sales Tax Revenue Bonds  
Last Ten Fiscal Years

| Fiscal Year | Sales Tax Revenue | Debt Service Requirements |          |           | Coverage |
|-------------|-------------------|---------------------------|----------|-----------|----------|
|             |                   | Principal                 | Interest | Total     |          |
| 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  | 172,993   | 60.87    |
| 2003        | 10,422,430        | 1,235,000                 | 589,335  | 1,824,335 | 5.71     |
| 2004        | 11,406,021        | 1,270,000                 | 550,476  | 1,820,476 | 6.27     |

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

Schedule 19  
CITY OF WEST JORDAN  
Pledged-Revenue Coverage  
Excise Tax Road Bonds  
Last Ten Fiscal Years

| Fiscal Year | Class C Road Tax Allotment | Debt Service Requirements |          |         | Coverage |
|-------------|----------------------------|---------------------------|----------|---------|----------|
|             |                            | Principal                 | Interest | Total   |          |
| 1995        | \$ 883,330                 | \$ -                      | \$ -     | \$ -    | -        |
| 1996        | 935,255                    | -                         | -        | -       | -        |
| 1997        | 992,927                    | -                         | -        | -       | -        |
| 1998        | 1,587,463                  | -                         | -        | -       | -        |
| 1999        | 1,828,655                  | -                         | -        | -       | -        |
| 2000        | 1,962,119                  | -                         | -        | -       | -        |
| 2001        | 2,226,675                  | -                         | -        | -       | -        |
| 2002        | 2,725,943                  | 420,000                   | 228,018  | 648,018 | 4.21     |
| 2003        | 2,727,564                  | 400,000                   | 163,848  | 563,848 | 4.84     |
| 2004        | 3,113,374                  | 410,000                   | 154,962  | 564,962 | 5.51     |

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

Schedule 20  
CITY OF WEST JORDAN  
Pledged-Revenue Coverage  
Tax Increment Revenue Bonds  
Last Ten Fiscal Years

| Fiscal Year | Tax Increment Revenue | Debt Service Requirements |          |         | Coverage |
|-------------|-----------------------|---------------------------|----------|---------|----------|
|             |                       | Principal                 | Interest | Total   |          |
| 1995        | \$ 98,000             | \$ -                      | \$ -     | \$ -    | -        |
| 1996        | 149,482               | -                         | -        | -       | -        |
| 1997        | 120,000               | -                         | -        | -       | -        |
| 1998        | 120,000               | -                         | -        | -       | -        |
| 1999        | 695,086               | -                         | -        | -       | -        |
| 2000        | 724,314               | -                         | -        | -       | -        |
| 2001        | 1,145,086             | 320,000                   | 37,264   | 357,264 | 3.21     |
| 2002        | 1,636,422             | 305,000                   | 51,911   | 356,911 | 4.58     |
| 2003        | 1,927,527             | 320,000                   | 35,764   | 355,764 | 5.42     |
| 2004        | 1,864,268             | 335,000                   | 18,578   | 353,578 | 5.27     |

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

Schedule 21  
CITY OF WEST JORDAN  
Pledged-Revenue Coverage  
HUD Contract Payable  
Last Ten Fiscal Years

| Fiscal Year | Community Development Block Grant Revenue | Debt Service Requirements |          |         | Coverage |
|-------------|---|---------------------------|----------|---------|----------|
|             |   | Principal                 | Interest | Total   |          |
| 1995        | \$ 371,290                                | \$ -                      | \$ -     | \$ -    | -        |
| 1996        | 558,736                                   | -                         | -        | -       | -        |
| 1997        | 41,291                                    | -                         | -        | -       | -        |
| 1998        | 586,424                                   | -                         | -        | -       | -        |
| 1999        | 469,000                                   | -                         | -        | -       | -        |
| 2000        | 484,171                                   | -                         | -        | -       | -        |
| 2001        | 593,966                                   | -                         | 99,403   | 99,403  | 5.98     |
| 2002        | 798,511                                   | 65,000                    | 155,368  | 220,368 | 3.62     |
| 2003        | 588,465                                   | 70,000                    | 150,620  | 220,620 | 2.67     |
| 2004        | 559,642                                   | 75,000                    | 145,475  | 220,475 | 2.54     |

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

Schedule 22  
 CITY OF WEST JORDAN  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

| Fiscal<br>Year | Population | Personal<br>Income (1) | Per Capita<br>Personal<br>Income (2) | Unemployment<br>Rate (3) |
|----------------|------------|------------------------|--------------------------------------|--------------------------|
| 1995           | 55,000     | N/A                    | N/A                                  | 3.5 %                    |
| 1996           | 59,829     | N/A                    | N/A                                  | 3.3                      |
| 1997           | 64,211     | N/A                    | N/A                                  | 3.2                      |
| 1998           | 67,599     | N/A                    | N/A                                  | 2.9                      |
| 1999           | 71,039     | N/A                    | N/A                                  | 3.6                      |
| 2000           | 78,714     | N/A                    | N/A                                  | 3.6                      |
| 2001           | 81,619     | \$ 2,258,724,206       | \$ 27,674                            | 3.1                      |
| 2002           | 85,865     | 2,421,736,460          | 28,204                               | 4.3                      |
| 2003           | 87,969     | 2,510,547,291          | 28,539                               | 6.1                      |
| 2004           | 92,475     | 2,659,581,000          | 28,760                               | 5.8                      |

(1) Estimates of total personal income are derived by multiplying per capita personal income amounts by the corresponding population.

(2) Per capita personal income amounts are for Salt Lake County. The amounts shown are for the calendar year that ended during the specified fiscal year, e.g., amounts for calendar year 2003 are shown in fiscal year 2004.

(3) Unemployment rates are for the Salt Lake City-Ogden, UT metropolitan area. The rates shown are for the calendar year that ended during the specified fiscal year, e.g., rates for calendar year 2003 are shown in fiscal year 2004.

N/A = Not available

Sources: Population information provided by the West Jordan Community Development Department. Per capita personal income information provided by the Governor's Office of Planning & Budget. Unemployment rates provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Schedule 23  
CITY OF WEST JORDAN  
Principal Employers  
Current Year and Nine Years Ago

| Taxpayer                          | 2004         |      |                                     | 1995         |      |                                     |
|-----------------------------------|--------------|------|-------------------------------------|--------------|------|-------------------------------------|
|                                   | Employees    | Rank | Percentage of Total City Employment | Employees    | Rank | Percentage of Total City Employment |
| Jordan School District            | 1,905        | 1    | 6.75 %                              | 1,044        | 1    | 9.58 %                              |
| Fairchild Semi-conductor          | 575          | 2    | 2.04                                | -            |      | -                                   |
| Sysco Intermountain Food Services | 524          | 3    | 1.86                                | -            |      | -                                   |
| Wal-Mart                          | 581          | 4    | 2.06                                | -            |      | -                                   |
| West Jordan City                  | 472          | 5    | 1.67                                | 296          | 3    | 2.72                                |
| Jordan Valley Hospital            | 440          | 6    | 1.56                                | 208          | 5    | 1.91                                |
| Ream's                            | 239          | 7    | 0.85                                | -            |      | -                                   |
| Sears Roebuck                     | 238          | 8    | 0.84                                | -            |      | -                                   |
| Macey's                           | 250          | 9    | 0.89                                | -            |      | -                                   |
| Sam's Club                        | 250          | 10   | 0.89                                | -            |      | -                                   |
| National Semi-conductor           | -            |      | -                                   | 513          | 2    | 4.71                                |
| E & J Manufacturing               | -            |      | -                                   | 241          | 4    | 2.21                                |
| Interstate Brick                  | -            |      | -                                   | 188          | 6    | 1.72                                |
| Southwire                         | -            |      | -                                   | 181          | 7    | 1.66                                |
| Fashion Cabinets Mfg. Inc.        | -            |      | -                                   | 125          | 8    | 1.15                                |
| West Jordan Care Center           | -            |      | -                                   | 117          | 9    | 1.07                                |
| Shopko                            | -            |      | -                                   | 111          | 10   | 1.02                                |
| Total                             | <u>5,474</u> |      | <u>19.41 %</u>                      | <u>3,024</u> |      | <u>27.75 %</u>                      |

Source: West Jordan City Economic Development Division

Schedule 24  
 CITY OF WEST JORDAN  
 Full-time Equivalent City Government Employees by Function/Program  
 Current Fiscal Year

| <u>Function/Program</u>     | <u>2004</u>          |
|-----------------------------|----------------------|
| General government          |                      |
| Mayor & city council        | 4.00                 |
| Administration              | 9.50                 |
| Support services            | 15.63                |
| Finance                     | 11.50                |
| Attorney                    | 8.75                 |
| Court                       | 10.00                |
| Community development       |                      |
| Planning & zoning           | 9.50                 |
| Economic development        | 1.00                 |
| Building safety             | 12.25                |
| Police                      |                      |
| Support services            | 25.20                |
| Line services               | 108.80               |
| Animal control              | 5.00                 |
| Fire                        | 85.00                |
| Public works                |                      |
| Public works administration | 0.75                 |
| Engineering                 | 15.33                |
| Streets                     | 21.00                |
| Fleet operations            | 8.75                 |
| Parks and recreation        | 13.00                |
| Water                       | 17.59                |
| Sewer                       | 12.16                |
| Solid waste                 | 3.75                 |
| Total                       | <u><u>398.45</u></u> |

Note: Full-time equivalent employees shown are based on authorized positions as determined by the salary schedule and the personnel budgets for the specified year.

Source: West Jordan Human Resources Department

Schedule 25  
CITY OF WEST JORDAN  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

| Function/Program                                    | Fiscal Year |       |       |       |       |       |        |        |        |        |
|---|-------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
|   | 1995        | 1996  | 1997  | 1998  | 1999  | 2000  | 2001   | 2002   | 2003   | 2004   |
| Community development                               |             |       |       |       |       |       |        |        |        |        |
| Residential building permits issued                 | 1,107       | 1,513 | 1,399 | 1,243 | 1,524 | 1,468 | 811    | 864    | 1,162  | 1,757  |
| Commercial building permits issued                  | 137         | 168   | 196   | 219   | 255   | 310   | 437    | 241    | 339    | 258    |
| Police  |             |       |       |       |       |       |        |        |        |        |
| Calls for service                                   | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | 53,630 | 55,661 | 59,247 |
| Arrests   | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | 3,392  | 3,036  | 2,718  |
| Citations   | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | 14,987 | 15,340 | 15,564 |
| Fire  |             |       |       |       |       |       |        |        |        |        |
| Medical responses                                   | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | N/A    | N/A    | 3,132  |
| Fire responses                                      | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | N/A    | N/A    | 1,108  |
| Water   |             |       |       |       |       |       |        |        |        |        |
| New connections                                     | N/A         | N/A   | N/A   | 1,976 | 940   | 919   | 602    | 551    | 615    | 1,480  |
| Average daily consumption<br>(thousands of gallons) | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | 15,852 | 15,688 | 14,202 | 15,611 |
| Sewer   |             |       |       |       |       |       |        |        |        |        |
| Sewer line miles inspected                          | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | N/A    | N/A    | 64     |
| Sewer line miles cleaned                            | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A    | N/A    | N/A    | 214    |

Note: Indicators are not available for the general government, public works, parks & recreation or solid waste functions. Some of the amounts shown are for the calendar year that ended during the specified fiscal year, e.g., amounts for calendar year 2003 would be shown in fiscal year 2004.

N/A = Not available

Schedule 26  
CITY OF WEST JORDAN  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

| Function/Program                           | Fiscal Year |       |       |       |       |       |       |       |       |        |
|--|-------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
|  | 1995        | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004   |
| Police                                     |             |       |       |       |       |       |       |       |       |        |
| Marked patrol vehicles                     | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 71     |
| Fire                                       |             |       |       |       |       |       |       |       |       |        |
| Fire stations                              | 3           | 3     | 3     | 3     | 3     | 3     | 4     | 4     | 4     | 4      |
| Fire engines                               | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 6      |
| Ambulances                                 | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 5      |
| Public works                               |             |       |       |       |       |       |       |       |       |        |
| Street miles                               | N/A         | 180   | 188   | 188   | 219   | 253   | 271   | 286   | 325   | 325    |
| Streetlights                               | 1,950       | 1,956 | 2,116 | 2,123 | 2,259 | 3,005 | 3,045 | 3,376 | 3,605 | 3,834  |
| Parks and recreation                       |             |       |       |       |       |       |       |       |       |        |
| Park acreage                               | 135         | 290   | 290   | 290   | 290   | 290   | 418   | 407   | 407   | 442    |
| Baseball/softball diamonds                 | 15          | 15    | 15    | 15    | 15    | 15    | 16    | 25    | 25    | 25     |
| Soccer fields                              | N/A         | N/A   | 20    | 20    | 20    | 20    | 23    | 23    | 23    | 24     |
| Water                                      |             |       |       |       |       |       |       |       |       |        |
| Water main miles                           | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 272    |
| Storage capacity<br>(thousands of gallons) | N/A         | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | N/A   | 28,000 |

Note: Indicators are not available for the general government, community development, sewer or solid waste functions.

N/A = Not available