

**MONTHLY FINANCIAL STATEMENT
FOR THE FISCAL YEAR 2019-2020
OCTOBER 31, 2019**



**Prepared by
Danyce Steck, CPFO – Finance Director**

Wastewater Fund

The Wastewater Fund is an enterprise fund which means it acts like a business. To understand the financial position of the Wastewater Fund, the reader should take note of Lines 1 and 11 (Cash and Net position).

The Wastewater Fund has approximately \$7.9 million in reserves (net position), or 70% of annual revenues. These reserves are dedicated to system improvements and maintenance. This fund has two (2) pressure points - federal regulations which require additional wastewater treatments, and aging infrastructure which will require overhaul or replacement.

Revenue – Wastewater fees increased by 20% from the prior year due to the rate adjustment. Impact fee revenue increased due to the Amazon payment.

Expense – Expenses are within expected budget levels

Solid Waste Fund

The Solid Waste Fund is an enterprise fund which means it acts like a business. To understand the financial position of the Solid Waste Fund, the reader should take note of Lines 1 and 10 (Cash and Net position).

The Solid Waste Fund's reserves (net position) are low at 14% of annual revenues. Best practice requires no less than 13% (45 days). The City will need to monitor this Fund closely.

Revenue – Collection fees increased by 29% from the prior year due to the rate adjustment.

Expense – Expenses are below budget due to the timing of the City's payment for collection services.

Storm Water Fund

The Storm Water Fund is an enterprise fund which means it acts like a business. To understand the financial position of the Storm Water Fund, the reader should take note of Lines 1 and 11 (Cash and Net position).

The Storm Water Fund's reserves (net position) are stable at 123% of annual revenues. These reserves are dedicated to system improvements and maintenance currently in the design phase. Additional federal regulations will continue to put pressure on this Fund.

Revenue – Collection fees increased by 26% from the prior year due to the rate adjustment. Amazon's impact fee was paid in August.

Expense – Expenses are within expected budget levels.

Streetlight Fund

The Streetlight Fund is an enterprise fund which means it acts like a business. To understand the financial position of the Streetlight Fund, the reader should take note of Lines 1 and 6 (Cash and Net position).

This fund continues to build reserves in preparation for system improvements in the near future.

Fleet Management Fund

The Fleet Management Fund is an internal service fund which means it provides services to the entire City and all its Funds and is reimbursed for these services at a rate equal to the long-term planning needs of the service. It is reported similar to an enterprise fund. To understand the financial position of the Fleet Management Fund, the reader should take note of Lines 1 and 10 (Cash and Net position).

The long-term plan for this service depends on \$4.2m per year being dedicated towards this fund for the replacement and maintenance of vehicles and equipment for the City. The reserves for the fund reflect approximately 1.25 years of savings in preparation for large infrastructure demands like fire engines, ladder trucks, snow plows, etc.

All activity is within expected budget levels.

IT Infrastructure Fund

The IT Infrastructure Fund is an internal service fund which means it provides services to the entire City and all its Funds and is reimbursed for these services at a rate equal to the long-term planning needs of the service. It is reported similar to an enterprise fund. To understand the financial position of the IT Infrastructure Fund, the reader should take note of Lines 1 and 7 (Cash and Net position).

The long-term plan for this service depends on \$330k per year being dedicated towards this fund for the replacement of computers, servers, hardware, software, etc. The reserves for the fund reflect approximately 4 years of savings in preparation for large infrastructure demands.

Risk Management Fund

The Risk Management Fund receives its support from all the other funds in the form of an assessment. Reserves are currently negative due to the timing of the payment of the City's premiums at the beginning of the year and the assessments to recover that payment occurring over time during the year. Premiums increased year over year by 5% from the prior year.

A handwritten signature in cursive script that reads "Danyce Steck".

Danyce Steck, CPFO
Finance Director – City of West Jordan
December 3, 2019

