COMPREHENSIVE ANNUAL FINANCIAL REPORT

THE CITY OF

Taylorsville

Utah's Centennial City

Year Ended June 30, 2009

CITY OF TAYLORSVILLE

Taylorsville, Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Prepared by:

John Inch Morgan, MBA
City Administrator / City Treasurer

Scott P. Harrington
Chief Financial Officer

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Introductory Section

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November 25, 2009

Russ Wall

Mayor

D.L. "Bud" Catlin
Lynn R. Handy
Les N. Matsumura
Morris K. Pratt
Jerry W. Rechtenbach

Council Members

Honorable Russ Wall, Mayor
Lynn Handy, Taylorsville City Council Chairman
D.L. "Bud" Catlin, Taylorsville City Council Vice Chairman
Jerry W. Rechtenbach, Councilman
Morris Pratt, Councilman
Les N. Matsumura, Councilman
The Citizens of Taylorsville

Dear City of Taylorsville Elected Officials and Citizens:

I am submitting with this transmittal letter *The Comprehensive Annual Financial Report (CAFR)* of The City of Taylorsville for the fiscal year ended June 30, 2009. This CAFR fulfills the requirements in Utah State law to "present to the governing body an annual financial report prepared in conformity with generally accepted accounting principles, as prescribed in the Uniform Accounting Manual for Utah Cities."

This report presents the reader with a comprehensive financial illustration covering all funds and financial transactions for the fiscal year which began on July 1, 2008 and ending June 30, 2009.

The City's Chief Financial Officer, Scott Harrington and I, have prepared this CAFR with assistance from other financial professionals of the City and our contract financial consultants. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with the City. To the best of our knowledge and belief, the information in this document is accurate in all material respects and is reported in a manner that fairly presents the financial position and results of operations of the various funds of the City.

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I believe this document provides all the disclosures necessary to enable the reader to gain an understanding of the government's financial activities. The Notes to the Financial Statements are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report and the annual audit of the City.

There are three sections of this report including the Introduction, the Financial Section and the Statistical section:

The Introductory Section is a narrative abstract of the financial statements. The Financial Section includes: 1) The Independent Auditors' Report, and the Management's Discussion and Analysis; 2) Basic Financial Statements (BFS); 3) notes to the financial statements and

4) Supplemental statements and schedules. The BFS provide an overview for readers who do not require detailed information about the City's finances.

More detailed information is presented in the supplemental statements and schedules that focus on individual funds. The Statistical Section includes both financial and general information important to private and public decision makers. This additional information has been designed to cover more than two fiscal years, reflect both social and economic data and provide information relating to financial trends and the fiscal capacity of the City.

The City's financial reports include all of the funds of the municipal government. The City provides a full spectrum of municipal services through a combination of contracts with private firms, with other governmental agencies and through the direct employment of City employees. These services include law enforcement and municipal court services; fire protection and emergency medical services through a contract with the Unified Fire Authority; roadway, storm drain, street lighting and other infrastructure construction and maintenance through contracts with private contractors and Salt Lake County Public Works; engineering services through contracts with several private engineering firms the primary firm being Forsgren and Associates; building inspection, planning and zoning services; park construction and maintenance; economic development and community cultural events.

GENERAL INFORMATION

The City of Taylorsville is located in the very center of Salt Lake County and was incorporated July 1, 1996. The area was settled in 1847 as a pioneer farming community. In 1860 the area's population was 178 and remained predominately agricultural through the 1940s. From 1960 to 1987 the population increased from about 4,000 with 600 housing units, to 49,600 with about 16,000 housing units. The U.S. Census Bureau estimates the Taylorsville Population at 58,620 as of July 1, 2007 with an approximate growth rate of .07 percent. The census bureau has based this estimate on the 2000 census which does not include the Misty Hills annexation which took place in 2001 which added 1,366 residents to the census number in 2001. The estimated population as of June 30, 2009 is 62,033 people with approximately 30.7 percent of the population under 18 years of age. The median age of the Taylorsville resident is 27.8 years old and the median family income in 1999 real dollars is $51,553 comparable to median family income for communities throughout the Salt Lake Valley.

ECONOMIC CONDITION AND OUTLOOK

Taylorsville is the tenth largest city in Utah. Despite a national economic slowdown that began in December 2007 and continues through the duration of 2008-2009 fiscal year covered in this financial report, the city has experienced strong business construction and new business development opportunities including:

- The expansion of the existing Nelson Medical Labs at 6300 South and Redwood Road.
- The development of an assisted living center at 5400 South and 3200 West.
- The development of new office space in the Sorensen Business Park on Riverboat Road (approximately 4500 South and 875 West).

The City received 35 percent of its general fund revenue from sales taxes, and 23 percent from real property, personal property and motor vehicle taxes. As a result of the economic recession, sales taxes have decreased by an average of 12 percent over past periods. In response the City Administration decreased budgeted expenditures mid-way through the fiscal year to balance expenditures with revenues. Based upon current projections, the City is able to continue basic operations with existing revenues.

MAJOR INITIATIVES

Significant projects include several significant road and storm drain projects throughout the City totaling more than $11M that will span the 2007-2011Fiscal Years, planning and design of the Redwood Road Business District Phase II, enhancements of the I-215 off ramps at the Redwood Road Business and Commercial District using state and local funds, the completion of construction of the Babe Ruth and Little League baseball complex at 5000 South 2200 West, and the agreement with private developers to begin the construction. The Utah Department of Transportation, along with the City will begin six major intersection improvement projects within the City as well as improvements to the east-west transportation corridors in the 2009-2011 periods.

FINANCIAL INFORMATION

As a government entity, the City of Taylorsville maintains financial internal accounting control through separate funds, rather than as a single entity. Each fund is a distinct, self-balancing accounting entity.

The City's Administration has the responsibility for establishing and maintaining an internal control structure that will safeguard the assets of the government from loss, theft, or misuse. At the same time, management has the responsibility to ensure that adequate accounting data are maintained and compiled to support the preparation of financial statements in conformity with Generally Accepted Accounting Principles.

The internal control structure is designed to provide reasonable, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

BUDGETING CONTROLS

Comprehensive budgets are essential in governmental accounting and in maintaining financial control. The City's budget for all funds is adopted by the City Council each year. Utah State Law requires a balanced budget for each individual fund, and also requires department expenditures to conform to departmental appropriation. Finally, the law recognizes declared emergencies (natural disasters) as the only circumstance where individual fund appropriations may be overspent.

GENERAL FUND -- General fund revenues totaled $21,179,416 in fiscal year ending June 30, 2009. Property Taxes, Motor Vehicle Taxes, and General Sales Taxes constitute the major sources of revenue. All tax categories in aggregate generated 74 percent of general fund revenue. The following schedule is a summary of the general fund revenues and other financing sources for the period.

Revenue and Other Financing Sources	2009 Amount	Percent of Total	Increase (Decrease) Over 2008	Percent Increase (Decrease)	2008 Amount
Property taxes	$ 3,920,274	18.51%	$ 32,127	0.83%	3,888,147
Motor vehicle taxes	602,678	2.85%	(17,873)	-2.88%	620,551
Personal property taxes	232,149	1.10%	(36,268)	-13.51%	268,417
General sales taxes	7,377,454	34.83%	(1,062,845)	-12.59%	8,440,299
Franchise taxes	3,588,153	16.94%	(44,426)	-1.22%	3,632,579
Licenses and permits	650,189	3.07%	68,908	11.85%	581,281
Intergovernmental revenue	2,726,205	12.87%	(120,483)	-4.23%	2,846,688
Charges for services	375,700	1.77%	108,874	40.80%	266,826
Fines and forfeitures	1,527,360	7.21%	51,832	3.51%	1,475,528
Miscellaneous revenue	179,255	0.85%	(37,417)	-17.27%	216,672
Total	$ 21,179,416	100.00%	$ (1,057,571)	-4.76%	22,236,988

The unreserved General Fund Balance for the year is $3,778,463, which is equivalent to 67 calendar days of operation expenditures.

DEBT ADMINISTRATION – In this accounting period the City managed debt in the amount of $9,700,000 in the form of Sales Tax Revenue Bonds for Storm Drain and Road infrastructure improvements. Municipal Equipment Leases in the amount of $282,713 for police vehicles which were purchased in 2005 when the Police Department was organized will be paid off in 2010. The city also incurred new debt for the purchase of a street sweeper and a van for the senior center. Capital leases were used to acquire these assets, in the amounts of $215,000 and $71,322 respectively.

CASH MANAGEMENT -- The City has arranged to invest cash in excess of determined operational needs in the Utah State Treasurer's investment pool. All available cash is pooled for investment and money management purposes. Interest income is allocated to all funds based on the percentage in the investment pool. Total interest earnings for the fiscal year 2009 were $262,590

RISK MANAGEMENT -- The City participated in the Utah Local Government Trust for general liability coverage in the 2008-2009 Fiscal Year. The City purchases health benefits and worker's compensation coverage from commercial insurance companies.

OTHER INFORMATION

INDEPENDENT AUDIT – The Utah State Municipal code requires an annual audit by independent public accountants. The City's consultant selection committee has selected, Hansen, Bradshaw, Malmrose & Erickson, to perform the audit required by the state law, and to meet the requirements of the Federal Single Audit Act. The independent auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

ACKNOWLEDGEMENTS – I respectfully acknowledge this financial report is a numerical representation of the dedication of all our city employees and contractors. The cost of providing quality government services is not represented in a set of audited numbers, however on a comparative basis with other like organizations; the City of Taylorsville provides excellent services with a limited staff because of the high caliber and dedication of our employees. The entire city staff and our contractors contributed to the preparation of this Comprehensive Annual Financial Report through their good work. I express my sincere appreciation for their contributions to the citizens of our great city and to this report.

Respectfully,

John Inch Morgan, MBA
City Administrator/City Treasurer

CITY OF TAYLORSVILLE
LIST OF ELECTED AND APPOINTED OFFICIALS
For The Year Ended June 30, 2009

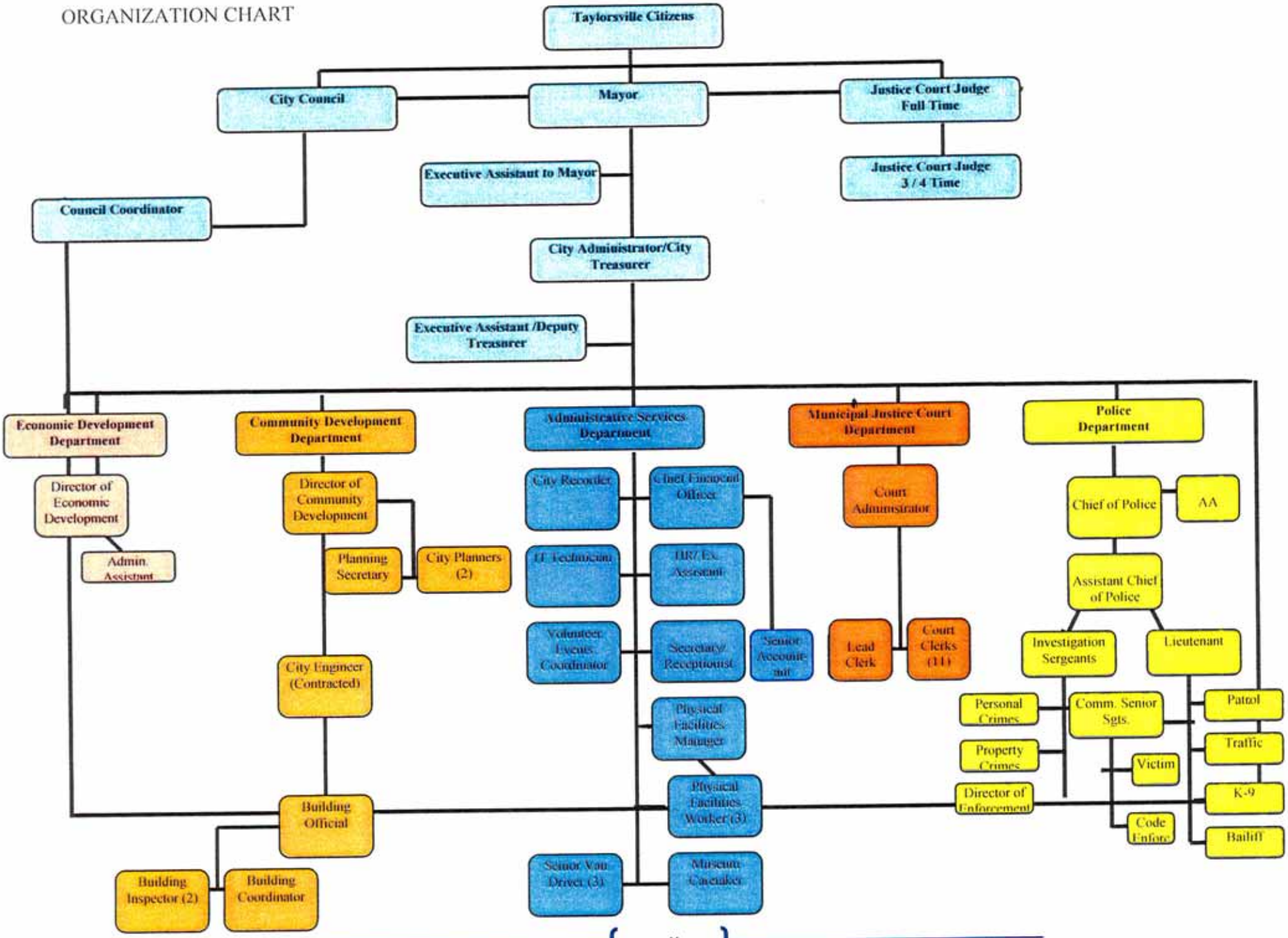
Elected Officials

Mayor	Russ Wall
Council Chairman	Lynn R. Handy
Vice Chairman	D.L. "Bud" Catlin
Council Member	Les Matsumura
Council Member	Morris K. Pratt
Council Member	Jerry W. Rechtenbach

Appointed Officials

City Administrator / Treasurer	John Inch Morgan
Police Chief	Del Craig
Community Development Director	Mark McGrath
Justice Court Judge	Michael W. Kwan
Justice Court Judge	Marsha Thomas
Recorder	Cheryl Peacock-Cottle

ORGANIZATION CHART



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Hansen, Bradshaw, Malmrose & Erickson
A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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Members of the American Institute of Certified Public Accountants

Members of the Private Company Practice Section

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council
City of Taylorsville, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Taylorsville, Utah (the City), as of and for the year ended June 30, 2009, 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 opinions 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Taylorsville, Utah, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3-9 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information, and statistical tables are presented for purposes of additional analysis are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information 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.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 23, 2009

This section, commonly known as the Management's Discussion and Analysis, (MD & A) provides the reader of the City of Taylorsville's financial performance with an overview of the City's financial activities for the fiscal year ended June 30, 2009 from the city administration's viewpoint.
Please read this section in conjunction with the City's basic financial statements, which begin on page 9.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 10 and 11) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 12. The statements on governmental activities tell how City services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant financial funds.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

Our analysis of the City as a whole begins on page 10. Among the most important questions asked each year by citizens and those we do business with includes: "Is the City, as a whole, better or worse off as a result of the year's activities?"

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the ***accrual basis of accounting***, which is similar to the accounting used by most private sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's ***net assets*** and changes in the assets of the city. It is sometimes helpful to think of the City's net assets, the difference between assets and liabilities (what we as citizens own and what we owe). Analyzing net assets is a valuable measurement of the City's financial health, or financial position. By looking at several years of financial activity and the increases or decreases that occur in the City's net assets one can begin to assess whether the City's financial position is being maintained, improving or weakening. To gain a complete picture of the health of the City, the reader must also consider other nonfinancial factors such as changes in the City's property tax base, and the condition of the City's capital assets including city owned roads, street lighting, storm sewer lines, parks and building.

In the Statement of Net Assets and the Statement of Activities, the City has the following activity and information: Governmental activities: most of the City's basic services are reported here, including the police, municipal court, fire and emergency medical, street maintenance, parks and recreation, and general city administration. Sales taxes, property taxes, fees for services, court assessed fines and forfeitures and state and federal grants finance most of these activities.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Our management team's analysis of the City's major funds begins on page 12 and provides detailed information about the most significant funds. Some funds have been established by requirements that are detailed in State law. The City Council establishes other funds to help the Council allocate

money for particular purposes and projects and to track or control the use of funds that have been allocated through the adoption of the annual budget. The City Council, upon the recommendation of the City Administration has also established funds to show that it is meeting legal responsibilities for using certain taxes, grants, and other money such as the Community Development Block grants (CDGB) received from the U.S. Department of Housing and Urban Development for low income areas of the City.

Governmental funds: All of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances budgeted but yet unspent monies that are left at the end of the fiscal year. These funds are reported using an accounting method called ***modified accrual accounting***, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources available in the near future to finance the City's programs. In this analysis we describe the relationship and differences between governmental activities in the Statement of Net Assets and the Statement of Activities.

Net Assets as of June 30, 2009

CITY OF TAYLORSVILLE'S NET ASSETS

	Governmental Activities June 30, 2009	Governmental Activities June 30, 2008	Business Type Activities June 30, 2009	Business Type Activities June 30, 2008
Current and other assets	$ 32,566,715	$ 26,292,529	$ 7,138,253	$ 7,433,336
Capital assets	141,645,708	144,012,589	5,285,886	4,490,363
Total Assets	174,212,423	170,305,118	12,424,139	11,923,699
Long-term debt outstanding	5,292,893	5,582,473	4,520,015	4,353,140
Other liabilities	7,566,002	7,431,327	168,983	230,993
Total Liabilities	12,858,895	13,013,800	4,688,998	4,584,133
Net assets:				
Invested in capital assets, net of debt	150,726,523	151,204,363	765,871	(24,246)
Restricted	2,171,440	2,822,683	3,483,334	3,787,624
Unrestricted	3,089,148	3,264,272	3,485,936	3,576,188
Total Net Assets	$ 155,987,111	$ 157,291,318	$ 7,735,141	$ 7,339,566

THE CITY AS A WHOLE

The City's combined net assets decreased by $908,632 from $164,630,884 to $163,722,252. Business type activities increased by $395,575 when added to a decrease of $1,304,207 in Government activities resulted in a decrease in net assets of $980,632. The majority of this year's decrease is due to the spending of bond monies on capital projects and depreciation of assets.

The change in net assets of the City's governmental activities is $1,304,207 which is less than the prior year's change (decrease) of $5,979,848 in net assets. Unrestricted net assets are the part of the net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements -increased by $338,701 from 2008 to 2009.

	Governmental Activities JUNE 30, 2009	Governmental Activities June 30, 2008	Business Activities JUNE 30, 2009	Business Activities June 30, 2008
Revenues				
Program revenues:				
Charges for services	$ 2,513,515	$ 2,252,725	$ 1,256,777	1,146,261
Operating grants and contributions	1,899,424	2,176,682		
Capital grants and contributions	1,499,711	1,200,113		
General revenues:				
Property taxes	4,755,101	4,777,115		
Other taxes	10,965,606	12,072,878		
Other revenues	251,340	401,185	74,071	236,871
Transfer In				6,360,236
Total revenue	21,884,695	22,880,698	$ 1,330,848	$ 7,743,368
Program expenses:				
General government	2,812,828	2,500,166	$ 935,273	403,802
Public safety	13,065,768	12,918,424		
Highway and public improvements	4,755,155	5,083,191		
Community and economic development	1,867,165	1,615,431		
Parks and public property	465,753	101,770		
Interest on long term debt	222,233	218,389		
Gain(loss) on sale of assets		62,939		
Transfers		6,360,236		
Total expenses	23,188,902	28,860,546	$ 935,273	403,802
Increase (decrease) in net assets	(1,304,207)	(5,979,848)	$ 395,575	7,339,566
Net Assets Beginning of Year	157,291,318	163,271,166	$7,339,566	
Net Assets End of year	$ 155,987,111	$ 157,291,318	$7,735,141	$ 7,339,566

GOVERNMENTAL ACTIVITIES

Revenues for the City's governmental activities decreased by $996,003 or 4% and total expenses decreased by $5,671,644 or 19% . With the decrease in revenue and the larger decrease in expenses, net assets of governmental activities decreased by $1,304,207. The factors driving these results include:

- Tax revenues gradually decreased since 2007, the start of a national recession. Charges for services have decreased due to building and construction activity in the current economy.
- Public Safety costs which include both fire and police have increased by $147,344 from 2008 to 2009
- Parks and public property expenses increased $363,983

THE CITY'S FUNDS

General Governmental Functions

The General Fund

The unreserved general fund balance changed from $1,640,741 to $3,371,229. The unrestricted fund balance is often referred to as the "Rainy Day Fund". State law requires each political subdivision of the state to establish such funds to deal with the unexpected events that may not be included in the annually adopted operations and capital funds. The State law also limits the amount of funds that can be carried from one accounting period to another. Municipalities are limited to no more than 18% of the anticipated revenue from the previous period.

Special Revenue Funds

Revenue included in these funds report all impact fees received from developers where the additional cost of providing municipal services (Parks, Fire Stations and Storm Drains) to new construction is offset with one time fees. Fire Station No. 118 was built in 1999 and at the time of the construction, the City had only collected a fraction of the cost of station. Impact fees collected from that time to the current fiscal year is being credited against this asset expenditure. In the 2008-2008 budget period, several Park improvements are ongoing and nearing completion including the Millrace Park natural fish reserve pond, the Vista Park Little League and Babe Ruth Baseball Complex, additional landscaping at the Taylorsville/Senior Center Park, and the Historic Museum/Taylorsville Park trail connection. Park impact fees are assessed and then allocated to these park projects that are required with the increased demands brought to the city by the various business and residential construction projects throughout the City. Storm Drain impact fees are divided into two storm drain systems in the Taylorsville area and restricted for the area collected. These will be used when planned projects in each respective area are funded.

Capital Projects Fund

The major activity in this fund represents a number of infrastructure road and government property improvements. The major source of revenue for capital projects in the audited budget year is the proceeds from sales tax revenue bonds. It is anticipated by the administration that the bond proceeds will be fully expended on the capital projects identified below by the end of the 2009-2010 fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City general fund budget to reflect new information regarding revenues and expenditures. Even with these adjustments, total revenues were $59,334 above budgeted revenues. The total expenditures were under budget by $999,486.

Business-type activities. Business-type activities increased the City's net assets by $395,575 from the prior year. The storm drain utility fund is the only business-type activity. Charges for service are the major source of revenue for the storm water fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The most significant capital asset change has been in park development and infrastructure. In 2002 the City constructed the Taylorsville Senior Center and a portion of the Millrace Park. In 2003 the City Hall and Recreation Center (in partnership with Salt Lake City) was completed. In 2004 the City finished Millrace Park, adding open space to Jordan River Parkway, and constructed additional sidewalks and roads. The projects started in fiscal year 2007-2008 include the Taylorsville Baseball Complex on 2200 West and 5000 South, the Nature pond and fishing reserve which is being added to a section of Millrace Park and will continue to add to the assets of the City as will the increase in asset value of street and storm water infrastructure improvement.

	Governmental Activities		Business type Activities	
	2009	2008	2009	2008
Land and water rights	$ 11,749,643	$ 11,852,323	$ -	$ -
Construction in progress	2,565,563	860,164	805,072	615,993
Building and improvements	9,014,835	9,367,709	-	-
Office furniture and equipment	570,566	301,123	15,785	20,295
Vehicles and equipment	679,313	896,582	197,433	-
Infrastructure	131,380,995	133,447,175	4,267,596	3,854,075
	$ 155,960,914	$ 156,725,076	$ 5,285,886	$ 4,490,363

Debt

While the City has operated without debt through most of its existence, in 2006 the City issued 20 year sales tax revenue bonds in the amount of $10,000,000 for the purpose of addressing segments of rapidly deteriorating road and storm drain systems. Each year previous, the City would allocate funds for the on-going maintenance of these systems, however, certain areas of the forty-year plus old system were deteriorating at a faster rate than current efforts could address.

Other outstanding debt is in the form of Municipal Equipment Leases where the City used this source of funding to purchase vehicles and equipment to start the Taylorsville Police Department in April of 2005. The terms of the lease are four years. Two of the four were retired in the 2008-2009 fiscal year and the others will be retired in fiscal year 2009-2010. The city also incurred new debt for the purchase of a street sweeper and a van for the senior center. Capital leases were used to acquire these assets, in the amounts of 215,000 and 71,322 respectively. The new leases are both five years in term.

	Governmental Activities		Business type Activities	
	2009	2008	2009	2008
Revenue bonds payable	$ 5,051,700	$ 5,185,079	$ 4,303,300	$ $4,462,000
Leases payable	182,683	282,713	166,875	-
Compensated absences	681,170	660,868	-	-
	$ 5,915,553	$ 6,128,660	$ 4,470,175	$4,462,000

State statutes limit the amount of debt a City may issue to 4 percent of its total fair market value for taxable property in its jurisdiction. The City may incur a larger indebtedness for the purpose of supplying the City with water, sewer, or electricity when such public works are owned and controlled by the City. The current debt limitation for the City of Taylorsville is approximately $108,886,000.

Additional information on the City of Taylorsville's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At this writing, our nation, our state and our local economy is in the mist of the most significant economic downturn since the Great Depression of the 1930s. The recession officially began, according the National Bureau of Economic Research in December 2007. Since that beginning, the unemployment rate has increased in Utah to 6.2% as the national unemployment rate has reached 10.2%. The Utah job market began losing jobs in July 2008 and continued to lose jobs and reduced household income as of this writing in October 2009. A comparison of the employment rate between September 2008 and September 2009 shows a decrease in the employment rate of -4.1%. This reduction in household income is significant for the City as 35.50 percent of all revenue received by the City is derived from sales taxes. The decline in household income, combined with the increased frugality of the population due to a decline in consumer confidence of the remainder of the population has resulted in a decrease in sales tax distribution through the fiscal 2008-2009 period of $1,062,845. Additionally, funds received by the State of Utah for roads that are funded by the gasoline taxes fell perceptibly as the public cut household expenses. B&C Road revenue declined from $1,910,980 to $1,643,477. Finally, Fees for Services has also been reduced from previous periods as both households and businesses reduced their activities in building new and expanding existing home and business activities.

In response to the decline in revenue, Mayor Russ Wall and The City Administration reduced spending in all service delivery departments by an average of 5% mid-way through the budget year and again for the 2009-10 budgets. The prospects for an economic recovery appear to be on the horizon, however, the common view among most economists is that the recovery will be slow in

coming with job growth significantly lagging behind other recovery indicators. Individuals who are unemployed or underemployed do not have disposable income to spend, and the balance of the local workforce (93.8%) will hold on to a greater portion of the disposable income for fear that a weak economy will impact their financial stability, thus decreasing further spending, maintaining higher than needed inventories, resulting in fewer orders for new goods and services and a sustaining a slow recovery of the Gross Domestic Product (GDP). We anticipate the City of Taylorsville's sales tax revenues will begin to recover over the next twelve months. The City did not experience the disastrous declines of some municipalities as much of the sales tax collected in Taylorsville is generated from the sale of staples such as food, clothing and household goods.

CITY OF TAYLORSVILLE
Statement of Net Assets
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Taylorsville Arts Council
ASSETS				
Cash and cash equivalents	$ 3,694,389	$ 3,303,217	$ 6,997,606	$ 48,956
Receivables, net of allowance				
Taxes	5,846,668	-	5,846,668	-
Intergovernmental	841,475	-	841,475	-
Accounts	4,749	279,952	284,701	306
Restricted assets:				
Cash and cash equivalents	2,413,582	3,483,334	5,896,916	-
Capital assets not being depreciated:				
Land and water rights	11,749,643	-	11,749,643	-
Construction in progress	2,565,563	805,072	3,370,635	-
Capital assets - net of accumulated depreciation:				
Buildings and improvements	9,014,835	-	9,014,835	-
Office furniture and equipment	570,565	213,218	783,783	7,806
Vehicles and equipment	679,313	-	679,313	-
Infrastructure	131,380,995	4,267,596	135,648,591	-
Unamortized bond issue costs	84,229	71,750	155,979	-
Total assets	$168,846,006	$ 12,424,139	$181,270,145	$ 57,068
LIABILITIES				
Accounts payable	$ 1,339,785	$ 133,004	$ 1,472,789	$ 6,600
Accrued liabilites	1,220,221	-	1,220,221	-
Accrued interest payable	33,872	35,979	69,851	-
Deferred revenue	4,290,954	-	4,290,954	-
Accrued liabilities - compensated absences	681,170	-	681,170	-
Unamortized bond premium	58,510	49,840	108,350	-
Bonds payable:				
Due within one year	191,700	163,300	355,000	-
Due in more than one year	4,860,000	4,140,000	9,000,000	-
Capital leases:				
Due within one year	124,411	37,968	162,379	-
Due in more than one year	58,272	128,907	187,179	-
Total liabilities	12,858,895	4,688,998	17,547,893	6,600
NET ASSETS				
Invested in capital assets, net of related debt	150,726,523	765,871	151,492,394	7,806
Restricted for:				
Storm drain development	-	3,483,334	3,483,334	-
Future construction	2,171,440	-	2,171,440	-
Unrestricted	3,089,148	3,485,936	6,575,084	42,662
Total net assets	155,987,111	7,735,141	163,722,252	50,468
Total liabilities and net assets	$168,846,006	$ 12,424,139	$181,270,145	$ 57,068

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Activities
For the Year Ended June 30, 2009

		Program Revenues			Net (Expense) Revenues and Changes in Net Assets			
					Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Taylorsville Arts Council
Functions / Programs								
Primary Government:								
Governmental activities								
General government	$ 2,812,828	$ 68,237	$ 202,392	$ 255,516	$ (2,286,683)		$ (2,286,683)	
Public safety	13,065,768	1,565,203	53,555	605,575	(10,841,435)		(10,841,435)	
Highways and public improvements	4,755,155	-	1,643,477	-	(3,111,678)		(3,111,678)	
Community and economic development	1,867,165	880,073	-	-	(987,092)		(987,092)	
Parks, recreation and public property	465,753	-	-	638,620	172,867		172,867	
Interest on long-term debt	222,233	-	-	-	(222,233)		(222,233)	
Total governmental activities	23,188,902	2,513,513	1,899,424	1,499,711	(17,276,254)		(17,276,254)	
Business-type activities								
Storm drain	935,273	1,256,777	-	-		$ 321,504	321,504	
Total Primary Government	$ 24,124,175	$ 3,770,290	$ 1,899,424	$ 1,499,711	(17,276,254)	321,504	(16,954,750)	
Component Unit:								
Taylorsville Art Council	$ 36,646	$ 19,100	$ 12,840	-				$ (4,706)
General Revenues:								
Taxes								
Property taxes					4,755,101	-	4,755,101	-
Sales taxes					7,377,454	-	7,377,454	-
Franchise taxes					3,588,152	-	3,588,152	-
Investment earnings					188,519	74,071	262,590	114
Other					59,028	-	59,028	-
Gain on sale of capital assets					3,793	-	3,793	-
Total general revenues					15,972,047	74,071	16,046,118	114
Change in net assets					(1,304,207)	395,575	(908,632)	(4,592)
Net assets - beginning					157,291,318	7,339,566	164,630,884	55,060
Net assets - ending					$ 155,987,111	$ 7,735,141	$ 163,722,252	$ 50,468

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Balance Sheet – Governmental Funds
June 30, 2009

	Governmental Fund Types			
	General	Special Revenue Infrastructure	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 2,779,246	$ 643,251	$ 271,892	$ 3,694,389
Receivables:				
Taxes	5,846,668	-	-	5,846,668
Intergovernental	841,475	-	-	841,475
Other	4,749	-	-	4,749
Restricted assets:				
Cash and cash equivalents	530,499	1,883,083	-	2,413,582
Total assets	$ 10,002,637	$ 2,526,334	$ 271,892	$ 12,800,863
LIABILITIES				
Accounts payable	$ 760,233	$ 354,894	$ 224,658	$ 1,339,785
Accrued liabilities	1,220,221	-	-	1,220,221
Deferred revenue	4,290,954	-	-	4,290,954
Total liabilities	6,271,408	354,894	224,658	6,850,960
FUND BALANCE				
Reserved for:				
Future construction	-	2,171,440	-	2,171,440
Unreserved:				
Undesignated	3,731,229	-	47,234	3,778,463
Total fund balances	3,731,229	2,171,440	47,234	5,949,903
Total liabilities and fund balances	$ 10,002,637	$ 2,526,334	$ 271,892	$ 12,800,863

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Assets
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total Fund Balances - Total Governmental Funds (page 12)	$ 5,949,903
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	155,960,914
Interest payable is not due and payable in the current period and therefore is not recorded in the funds.	(33,872)
Bond issue costs are not recorded in the funds.	84,229
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(5,974,063)
Net Assets - Governmental Activities (page 10)	$ 155,987,111

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2009

	Governmental Fund Types			
	General	Special Revenue Infrastructure	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 15,720,707	$ -	$ -	$ 15,720,707
Impact fees	-	6,424	16,770	23,194
Licenses and permits	650,189	-	-	650,189
Intergovernmental	2,726,205	25,000	585,000	3,336,205
Charges for services	375,700	-	-	375,700
Fines and forfeitures	1,527,360	-	-	1,527,360
Miscellaneous	59,028	-	-	59,028
Interest income	120,227	68,292	-	188,519
Total revenues	21,179,416	99,716	601,770	21,880,902
EXPENDITURES				
General government	2,042,820	-	-	2,042,820
Public safety	12,528,106	-	-	12,528,106
Highways and public improvements	2,387,529	-	-	2,387,529
Community and economic development	1,844,566	-	-	1,844,566
Parks, recreation, and public property	76,563	-	-	76,563
Non-departmental	506,845	-	-	506,845
Debt service:				
Principal	357,652	-	-	357,652
Interest	228,553	-	-	228,553
Capital outaly:				
General government	10,745		-	10,745
Public safety	173,088		-	173,088
Highways and public improvements	-	1,158,459	-	1,158,459
Community and economic development	168,764	-	-	168,764
Parks, recreation, and public property	88,706	-	1,192,656	1,281,362
Total expenditures	20,413,937	1,158,459	1,192,656	22,765,052
Excess (deficiency) of revenues over (under) expenditures	765,479	(1,058,743)	(590,886)	(884,150)
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	71,322	-	-	71,322
Transfers in	-	407,500	66,853	474,353
Transfers out	(474,353)	-	-	(474,353)
Sale of capital assets	5,114	-	-	5,114
Total other financing sources (uses)	(397,917)	407,500	66,853	76,436
Net change in fund balance	367,562	(651,243)	(524,033)	(807,714)
Fund balance at beginning of year	3,363,667	2,822,683	571,267	6,757,617
Fund balance at end of year	$ 3,731,229	$ 2,171,440	$ 47,234	$ 5,949,903

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE

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, 2009

Amounts reported for governmental activities in the statement of activities (page 11) are different because:

Net change in fund balances - total governmental funds (page 14)	$	(807,714)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(3,317,406)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net assets.		2,589,230
Proceeds from sale of capital assets is recorded as income in the governmental funds. However, only the gain on the sale of capital assets is recorded in the statement of activities.		(35,986)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		284,901
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.		(17,232)
Change in net assets of governmental activities (page 11)	$	(1,304,207)

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes	$ 16,377,492	$ 15,517,207	$ 15,720,707	$ 203,500
Licenses and permits	605,069	638,610	650,189	11,579
Intergovernmental	3,027,254	2,896,865	2,726,205	(170,660)
Charges for services	364,508	384,130	375,700	(8,430)
Fines and forfeitures	1,582,232	1,478,241	1,527,360	49,119
Miscellaneous	57,500	84,529	59,028	(25,501)
Interest income	110,000	120,500	120,227	(273)
Total revenues	22,124,055	21,120,082	21,179,416	59,334
EXPENDITURES				
General government				
City council	625,302	554,202	506,394	47,808
Mayor	188,523	183,632	172,191	11,441
Administrative services	1,336,956	1,269,629	1,216,580	53,049
Governmental buildings	197,000	186,585	156,340	30,245
Public safety				
Court operations	890,183	854,364	823,210	31,154
Court other	866,284	1,135,660	1,134,257	1,403
Public safety	4,472,974	4,534,327	4,361,693	172,634
Police	6,723,635	6,535,171	6,382,034	153,137
Highways and public improvements	2,553,179	2,446,358	2,387,529	58,829
Community and economic development				
Planning commission	17,100	13,100	8,063	5,037
Community activities	9,500	8,900	6,430	2,470
Citizens committees	97,500	104,908	85,302	19,606
CDBG programs	295,000	532,098	375,536	156,562
Community development	1,285,417	1,308,282	1,272,928	35,354
Economic development	308,320	295,871	265,071	30,800
Parks, recreation, and public property	377,853	193,707	165,269	28,438
Non-departmental	673,991	667,409	508,905	158,504
Debt service:				
Principal	341,757	357,652	357,652	-
Interest	731,206	231,568	228,553	3,015
Total expenditures	21,991,680	21,413,423	20,413,937	999,486
Excess (deficiency) of revenues over (under) expenditures	132,375	(293,341)	765,479	1,058,820
OTHER FINANCING SOURCES (USES)				
Proceeds from debt	-	-	71,322	71,322
Transfers out	(905,895)	(744,558)	(474,353)	270,205
Sale of capital assets	500,000	500,000	5,114	(494,886)
Total other financing sources (uses)	(405,895)	(244,558)	(397,917)	(153,359)
Net change in fund balance	$ (273,520)	$ (537,899)	367,562	$ 905,461
Fund balance at beginning of year			3,363,667	
Fund balance at end of year			$ 3,731,229	

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Infrastructure Special Revenue Fund
For the Year Ended June 30, 2009

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
REVENUES				
Impact fees	$ -	$ -	$ 6,424	$ 6,424
Intergovernmental	6,500,000	132,000	25,000	(107,000)
Interest income	-	56,000	68,292	12,292
Total revenues	6,500,000	188,000	99,716	(88,284)
EXPENDITURES				
Capital outlay	10,277,271	3,622,382	1,158,459	2,463,923
Total expenditures	10,277,271	3,622,382	1,158,459	2,463,923
Deficiency of revenues under expenditures	(3,777,271)	(3,434,382)	(1,058,743)	2,375,639
OTHER FINANCING SOURCES				
Proceeds from debt	3,299,881	-	-	-
Transfers in	33,588	111,848	407,500	295,652
Total other financing sources	3,333,469	111,848	407,500	295,652
Net change in fund balance	$ (443,802)	$ (3,322,534)	(651,243)	$ 2,671,291
Fund balance at beginning of year			2,822,683	
Fund balance at end of year			$ 2,171,440	

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Net Assets – Proprietary Fund
June 30, 2009

	Storm Drain
ASSETS	
Current assets:	
Cash and cash equivalents, unrestricted	$ 3,303,217
Receivables:	
Accounts	279,952
Total current assets	3,583,169
Noncurrent assets:	
Cash and cash equivalents, restricted	3,483,334
Capital assets:	
Machinery and equipment	237,932
Infrastructure	5,762,525
Construction in progress	805,072
Accumulated depreciation	(1,519,643)
Net capital assets	5,285,886
Other assets:	
Unamortized bond issuance costs	71,750
Total other assets	71,750
Total noncurrent assets	8,840,970
Total assets	$ 12,424,139
LIABILITIES	
Current liabilities:	
Accounts payable	$ 133,004
Accrued bond interest payable	35,979
Long-term debt, current portion, net	201,268
Total current liabilities	370,251
Noncurrent liabilities:	
Revenue bonds payable, due after one year, net	4,318,747
Total noncurrent liabilities	4,318,747
Total liabilities	4,688,998
NET ASSETS	
Invested in capital assets, net of related debt	765,871
Restricted for storm drain development	3,483,334
Unrestricted	3,485,936
Total net assets	7,735,141
Total liabilities and net assets	$ 12,424,139

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Fund
For the Year Ended June 30, 2009

	Storm Drain
OPERATING REVENUES	
Sales and charges for services	$ 1,208,116
Total operating revenues	1,208,116
OPERATING EXPENSES	
Administration and general	209,256
Repairs and maintenance	354,917
Depreciation	180,527
Amortization	3,986
Total operating expenses	748,686
Operating income	459,430
NON-OPERATING REVENUES (EXPENSES)	
Interest income	74,071
Interest expense	(186,587)
Impact fees	48,661
Total nonoperating revenues (expenses)	(63,855)
Change in net assets	395,575
Total net assets, beginning	7,339,566
Total net assets - ending	$ 7,735,141

The accompanying notes are an integral part of this financial statement.

CITY OF TAYLORSVILLE
Statement of Cash Flows – Proprietary Fund
For the Year Ended June 30, 2009

	Storm Drain
Cash flows from operating activities	
Receipts from customers and users	$ 1,151,338
Payments to suppliers	(469,225)
Net cash provided by operating activities	682,113
Net cash provided by noncapital financing activities	-
Cash flows from capital and related financing activities	
Acquisition of property, plant, and equipment	(976,050)
Proceeds from issuance of debt	215,382
Impact fees	48,661
Principal paid on capital debt	(207,207)
Interest paid on capital debt	(184,845)
Net cash used by capital and related financing activities	(1,104,059)
Cash flows from investing activites	
Interest received	74,071
Net cash provided by investing activities	74,071
Net decrease in cash and cash equivalents	(347,875)
Cash and cash equivalents, beginning of year	7,134,426
Cash and cash equivalents, end of year	$ 6,786,551
Unrestricted cash	3,303,217
Restricted cash	3,483,334
Total Cash	$ 6,786,551
Reconciliation of operating income to net cash provided by operating activities	
Operating income	$ 459,430
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	184,513
Changes in assets and liabilities:	
Accounts receivable	(56,778)
Accounts payable	94,948
Net cash provided by operating activities	$ 682,113

The accompanying notes are an integral part of this financial statement.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Taylorsville (the City) was incorporated on July 1, 1996, under the provisions of the State of Utah. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety, highways, culture-recreation, municipal justice court, public improvements, planning and zoning, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The more significant accounting policies established in GAAP and used by the City are discussed below.

(A) The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB pronouncement. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Component units that do not meet the criteria for being blended into the City's primary government are reported discretely.

Discretely Presented Component Units

The Taylorsville Arts Council (the Arts Council) provides cultural and recreational activities for the residents of the City. The Arts Council's governing body consists of the City's Mayor and the Chairman of the City Council and the chairman of the Arts Council, who is appointed by the Mayor. The Arts Council has been presented as a governmental fund type.

Financial information for the component unit may be obtained at the City's office, located at 2600 West Taylorsville Blvd., Taylorsville, Utah 84118.

(B) Government-Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). The City's general administrative services, public safety, highways and streets, planning and engineering, and parks are all classified as governmental activities. Storm water collection services are classified as business type activities.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all activities of the City and its component

units. As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(B) Government-Wide and Fund Financial Statements (Continued)
The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation
The government-wide financial 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, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditure.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but un-reimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types are used by the City:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities. Accounting and financial reporting for General and Special Revenue Funds are identical. The City accounts for infrastructure impact fees expenditures in a special revenue fund.

The City reports the following major proprietary fund: the storm drain fund accounts for the operation and maintenance of the storm drain system and capital projects for the storm system.

Additionally, the City reports the following fund types:

The City accounts for park impact fees expenditures in a special revenue fund.

Capital Project funds account for the acquisition of fixed assets or the construction of major capital projects. The City accounts for building construction in a capital project fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales, services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 (amounts not rounded). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of fixed assets is computed using the straight-line method over their estimated useful lives as follows:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

	Years
Buildings and Improvements	5-30
Office Furniture and Equipment	3-20
Vehicles and Equipment	7-10
Infrastructure	20-50

(D) Budgets

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year.

A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund and Special Revenue Funds. Annual budgets are also adopted for capital projects which may include activities that overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unreserved General Fund balance until it exceeds 5% of the General Fund revenues. Until the 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, to meet emergency expenditures, and to cover unanticipated deficits. When an unreserved fund balance is greater than 18% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Fund are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Expenditures in the Capital Projects Fund are budgeted annually on a project-by-project basis. Although it is the intention of the City that each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable, nor appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as an individual fund in the accompanying financial statements.

(E) Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the

previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget is made subsequent to June 22. All property taxes levied by the City are assessed and collected by Salt Lake County. Taxes are levied as of January 1 and due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Franchise taxes are collected by utility companies and remitted to the City periodically.

(F) Cash and cash equivalents
The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents.

(G) Compensated absences
Accumulated unpaid time off with pay is accrued as incurred based on the years of service for each employee. Time off with pay is accumulated on a monthly basis and is fully vested when earned. Accumulated vacation cannot exceed 280 hours at the end of any fiscal quarter and any vacation in excess of this amount is forfeited. No payments will be made in lieu of taking time off, except for accrued time off with pay at the time of termination or in extenuating circumstances, which payment must be approved by the Mayor, or Mayor's designee. The amount of accumulated time off with pay is accrued when incurred in the government-wide financial statements.

(H) Fund equity
In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(I) Inter-fund transactions
During the course of normal operations, the City has transactions between funds to construct assets, to distribute grant proceeds, etc. These transactions are generally reflected as operating transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended.

(J) Estimates and assumptions
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

(K) Long-term Obligations
In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are

reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 CASH AND CASH EQUIVALENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits and cash on hand. Investments are stated at fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents," which also includes cash accounts that are separately held by several of the City's funds.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments - The City's investment policies are governed by State statutes. In addition, the City has its own written investment policy to invest in accordance with the Utah state money management act.

The City invests in the Public Treasurer's Investment Fund (PTIF), which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. 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 operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for the public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurers' Office.

The City did not enter into any reverse repurchase agreements during the year. Bond deposits are held by an appointed trustee in accordance with the Bond Resolutions. Repurchase agreements are secured by uninsured, unregistered securities held by the counter party but not in the City's name.

Components of cash and investments (including interest earning deposits) at June 30, 2009 are as follows:

	Fair Value	Carrying Amount	Credit Rating (1)	Weighted Average Years to Maturity (2)
Cash on hand and deposit:				
Cash on Hand	$ 3,600	$ 3,600	N/A	N/A
Cash on Deposit	1,822,970	1,822,970	N/A	N/A
Total cash on hand and deposit	$ 1,826,570	$ 1,826,570		
Investments (3):				
Utah State Treasurer's Investment Pool	$ 7,567,483	$ 7,567,483	N/A	N/A
Bond Reserves				
Utah State Treasurer's Investment Pool	3,500,469	3,500,469	N/A	N/A
Total investments	$ 11,067,952	$ 11,067,952		
Total cash and cash equivalents	$ 12,894,522	$ 12,894,522		
Portfolio weighted average maturity				N/A

(1) Ratings are provided where applicable to indicate associated **Credit Risk.** N/A indicates not applicable
(2) **Interest Rate Risk** is estimated using the weighted average days to maturity.
(3) All investments listed are considered cash equivalents on the financial statements.

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing in short term investments, or investments are matched with anticipated cash flows. The City does not make investments with maturity dates longer than planned expenditures.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the State statutes for investments and only invests in the Utah Public Treasurer's Investment Fund. As of June 30, 2009, the Utah Public Treasurer's Investment Fund was unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investments are in the Utah State Treasurer's Investment Fund as of yearend.

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2009, $1,572,970 of the City's $1,822,970 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

NOTE 3 RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2009:

Restricted for funds held in trust for Justice Court	$	446,948
Restricted for funds held in trust of police seizures		83,551
Restricted for capital construction		4,648,349
Restricted for impact fees storm drain		718,068
	$	5,896,916

NOTE 4 CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land and water rights	$ 11,852,323	$ 1,600	$ 104,280	$ 11,749,643
Construction in progress	860,155	1,992,915	287,507	2,565,563
Total capital assets, not being depreciated	12,712,478	1,994,515	391,787	14,315,206
Capital assets, being depreciated:				
Buildings and improvements	11,760,157	97,670		11,857,827
Office furniture and equipment	1,336,896	364,992	6,742	1,695,146
Vehicles and equipment	1,921,092	192,461	209,287	1,904,266
Infrastructure	162,812,238	296,723		163,108,961
Total capital assets being depreciated	177,830,383	951,846	216,029	178,566,200
Less accumulated depreciation for:				
Buildings and improvements	2,392,448	450,544		2,842,992
Office furniture and equipment	1,035,773	95,550	6,742	1,124,581
Vehicles and equipment	1,024,510	408,409	207,966	1,224,953
Infrastructure	29,365,063	2,362,903		31,727,966
Total accumulated depreciation	33,817,794	3,317,406	214,708	36,920,492
Total capital assets, being depreciated, net	144,012,589	(2,365,560)	1,321	141,645,708
Governmental activities capital assets, net	$ 156,725,067	$ (371,045)	$ 393,108	$ 155,960,914

	Business type Activities			
	Beginning Balance	Additions	Deletions	Ending Balance
Business type activities				
Capital assets, not being depreciated:				
Construction in progress	$ 615,993	$ 760,669	$ 571,590	$ 805,072
Total capital assets, not being depreciated	615,993	760,669	571,590	805,072
Infrastructure	5,190,935	571,589	0	5,762,524
Equipment	22,550	215,382	0	237,932
Total capital assets being depreciated	5,213,485	786,971	0	6,000,456
Less accumulated depreciation for:				
Infrastructure	1,336,860	158,068	0	1,494,928
Equipment	2,255	22,459	0	24,714
Total accumulated depreciation	1,339,115	180,527	0	1,519,642
Total capital assets, being depreciated, net	3,874,370	606,444	0	4,480,814
Business activities capital assets, net	$ 4,490,363	$ 1,367,113	$ 571,590	$ 5,285,886

NOTE 4 CAPITAL ASSETS AND DEPRECIATION (Continued)

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

Governmental activities:	
General government	$ 251,224
Public safety	526,504
Highways and public improvements	2,332,961
Community and economic development	20,715
Parks and public property	186,002
Total depreciation expense - governmental activities	$ 3,317,406

Discretely presented component unit activity for the Arts Council for the year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, being depreciated:				
Equipment	$ 13,439	$ 5,588	$ -	$ 19,027
Total capital assets being depreciated	13,439	5,588	-	19,027
Less accumulated depreciation for:				
Equipment	8,485	2,736	-	11,221
Total accumulated depreciation	8,485	2,736	-	11,221
Component unit capital assets, net	$ 4,954	$ 2,852	$ -	$ 7,806

NOTE 5 DEFERRED PROPERTY TAXES

In conjunction with the implementation of GASB pronouncement 33 "*Accounting and Financial Reporting for Non-exchange Transactions*" the City has accrued a property tax receivable and a deferred property tax revenue of $4,194,453.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1 and then are due and payable at November 30. Since the property tax levied on October 1, 2009 was not expected to be received within 60 days after year ended June 30, 2009, the City was required to record a receivable and deferred revenue of the estimated amount of the total property tax to be levied on October 1, 2009.

NOTE 6 LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2009:

	June 30, 2008	Additions	Retirements	June 30, 2009	Due Within One Year
Governmental Activities:					
Bonds payable					
Revenue bonds	$ 5,238,000	$ -	$ (186,300)	$ 5,051,700	$ 191,700
Plus: unamortized premiums	61,759	-	(3,249)	58,510	-
Less: debt issuance costs	(88,907)	-	4,678	(84,229)	-
Total bonds payable	5,210,852		(184,871)	5,025,981	191,700
Capital leases	282,713	71,322	(171,352)	182,683	124,411
Total capital leases	282,713	71,322	(171,352)	182,683	124,411
Other liabilities					
Compensated absences	660,868	20,302	-	681,170	68,117
Total other liabilities	660,868	20,302	-	681,170	68,117
Total Governmental activities long-term liabilities	$ 6,154,433	$ 91,624	$ (356,223)	$ 5,889,834	$ 384,228
Business-type Activities:					
Bonds payable					
Revenue bonds	$ 4,462,000	$ -	$ (158,700)	$ 4,303,300	$ 163,300
Plus: unamortized premiums	52,609		(2,769)	49,840	-
Less: debt issuance costs	(75,736)		3,986	(71,750)	-
Total bonds payable	4,438,873	-	(157,483)	4,281,390	163,300
Capital leases	-	215,382	(48,507)	166,875	37,968
Total capital leases	-	215,382	(48,507)	166,875	37,968
Total Business-type activities long-term liabilities	4,438,873	215,382	(205,990)	4,448,265	201,268
Total Liabilities	$ 10,593,306	$ 307,006	$ (562,213)	$ 10,338,098	$ 585,496

NOTE 6 LONG-TERM DEBT (continued)

Revenue Bonds

Sales Tax Revenue Bonds, Series 2006, original issue of $10,000,000, principal due in annual installments beginning November 2007, interest at 4.00% to 5.00% due in semi-annual installments beginning May 2007, with the final payment due November 2026. The bonds were issued to finance the costs of constructing and/or replacing infrastructure improvement, including storm drain construction, roads, curb, gutter and sidewalk improvements. Debt service payments will be made from the General Fund sales tax revenues. Payments are split between the Storm Drain Fund and General Fund at 46% and 54% Respectively.	$	9,355,000
Total Revenue Bonds	$	9,355,000

Capital Leases

The City has purchased certain police cars under non-cancelable capital leases, expired between 2007 and 2010. The outstanding lease commitments are included in the general long-term debt account group.	$	111,361
The City purchased a street sweeper in December 2008 for street sweeping using a capital lease which expires in 2012.		71,322
In 2008 the City purchased a new van for the senior center using a lease which expires in 2013.		166,875
Total Capital Leases	$	349,558

NOTE 6 LONG-TERM DEBT (continued)

The annual debt service requirements to maturity, including principal and interest for the revenue bonds, as of June 30, 2009, are as follows:

Year Ending June 30,	Revenue Bonds Principal	Revenue Bonds Interest
2010	$ 355,000	$ 385,669
2011	370,000	370,725
2012	400,000	355,325
2013	400,000	339,325
2014	415,000	323,025
2015-2019	2,395,000	1,300,851
2020-2024	2,945,000	751,581
2024-2027	2,075,000	134,618
	9,355,000	$ 3,961,119
Plus: unamortized premium	108,349	
Less: debt issuance costs	(155,978)	
Total	$ 9,307,371	

The future minimum lease obligation and net present value of the capital leases as of June 30, 2009, are as follows:

Year ending June 30,	Totals
2010	$ 180,189
2011	64,731
2012	64,731
2013	64,731
2014	16,224
Total minimum lease payments	390,606
Less: interest	(41,048)
Present value of minimum lease payments	349,558
Amount due with in one year	(162,379)
Amount due after one year	$ 187,179

NOTE 7 DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Taylorsville contributes to the Local Government Noncontributory Retirement System (Noncontributory System), Public Safety Retirement System (Public Safety System) for employers with Social Security coverage, all of which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustment, 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 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 (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 Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement System, 540 East 200 South, Salt Lake City, Utah 84102, or by calling 1-800-365-8772.

Funding Policy

The City of Taylorsville is required to contribute a percent of covered salary to the respective systems, 11.620% to the Noncontributory, 22.610% to the Public Safety Noncontributory. The contribution rates are the actuarially determined rates. The contribution requirements or the Systems are authorized by statute and specified by Board.

The City of Taylorsville's contributions to the various systems for the years ending June 30, 2009, 2008, and 2007 were; for the Noncontributory System, $ 229,928, $209,731 and $192,061; for the Public Safety Noncontributory, $528,973, $523,108, and $455,802 respectively. The contributions were equal to the required contributions for each year.

NOTE 8 DEFERRED COMPENSATION 457 PLAN

The City offers its employees a deferred compensation plan through the Utah State Retirement System created in accordance with Internal Revenue Code (IRC) Section 457.

The City has adopted the provisions of GASB No. 32 *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, effective July 01, 1997. The 457 deferred compensation plan in which the City participates was amended such that all income and assets of the Plan are now held in trust for the exclusive benefit of the participants. For the years ending June 30, 2009, 2008 and 2007, employee contributions to this plan were $ 75,870, $69,237 and $61,230, respectively.

NOTE 9 EMPLOYEE BENEFIT PLAN

The City provides a 401(k) plan for substantially all employees. The Plan is available to full-time employees who are age 18 or older. Employees become fully vested in the Plan at the conclusion of four years of employment. Employees may voluntarily contribute to the Plan in an amount not to exceed limitations established by the Internal Revenue Service. The City may make contributions at the discretion of the City Council.

The City's contributions to the Taylorsville City Employees' 401(k) plan for years ending June 30, 2009, 2008 and 2007 were $ 162,559, $162,989 and $145,902, respectively. In 2008 the City started a Roth IRA plan and contributions for the years ending June 30, 2009 and 2008 are $9,505 and $3,143, respectively. Plan assets are held by the Utah Retirement Systems.

NOTE 10 COMMITMENTS

The City has entered into several contracts with Salt Lake County for the county to provide various services. These services include Public Safety (police, fire and paramedic) and Public Works. The term of each of these contracts is one year or less

.

The City has contracted with West Valley City to provide Animal control services. During 2009 West Valley City built an animal shelter, The City has 18.3% interest in the shelter. The shelter was financed with bonds; which the City is obligated and liable to pay it portion.

The City has also contracted with outside entities for Plan Review/Building Inspection, Engineering and Technical Services, and Legal Services. The term of each contract is one year.

The City is involved in various claims and legal actions arising in the ordinary course of events. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the City's financial position or results of operations.

NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of; damage to and destruction of assets; errors and omissions and natural disasters. The City participates in the Utah Local Government Insurance Trust, a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2009, there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2009 which exceeded its insurance coverage. The City also has fidelity bond coverage with a private carrier.

NOTE 12 RESERVED FUND BALANCES

Reservations of fund balance represent amounts that are not appropriable or legally segregated for a specific purpose. The reserved fund balance for the special revenue funds represent impact fees collected that are to be used exclusively for future expenditures for the purpose for which the fees were implemented.

NOTE 13 TRANSFERS RECONCILIATION

The operating transfers among the funds for the year ended June 30, 2009 were as follows:

	Out	In
General Fund	$ 474,353	$ -
Capital Projects Fund	-	66,853
Infrastructure Impact Fee Fund	-	407,500
	$ 474,353	$ 474,353

Transfers are made to meet the ongoing needs of the City to complete various projects.

Supplemental Information

CITY OF TAYLORSVILLE
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2009

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
Assets:			
Cash and cash equivalents	$ 270,690	$ 1,202	$ 271,892
Total Assets	$ 270,690	$ 1,202	$ 271,892
Liabilities:			
Accounts payable	$ 223,456	$ 1,202	$ 224,658
Total Liabilities	$ 223,456	$ 1,202	$ 224,658
Fund Balances:			
Unreserved, reported in:			
Special revenue funds	$ 47,234	$ -	$ 47,234
Total Fund Balances	$ 47,234	$ -	$ 47,234
Total Liabilities and Fund Balances	$ 270,690	$ 1,202	$ 271,892

CITY OF TAYLORSVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2009

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
Revenues:			
Impact fees	$ 16,770	$ -	$ 16,770
Intergovernmental revenues	585,000		585,000
Total Revenues	601,770	-	601,770
Expenditures:			
Capital outlay	1,125,804	66,853	1,192,657
Total Expenditures	1,125,804	66,853	1,192,657
Excess (deficiency) of Revenues Over (Under) Expenditures	(524,034)	(66,853)	(590,887)
Other Financing Sources			
Transfers in	-	66,853	66,853
Total Other Financing Sources	-	66,853	66,853
Net Change in Fund Balance	(524,034)	-	(524,034)
Fund Balance, Beginning	571,268	-	571,268
Fund Balance, Ending	$ 47,234	$ -	$ 47,234

CITY OF TAYLORSVILLE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – PARKS SPECIAL REVENUE FUND
For The Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues:				
Impact fees	$ 65,000	$ 18,000	$ 16,770	$ (1,230)
Intergovernmental revenues	477,868	500,000	585,000	85,000
Total Revenues	542,868	518,000	601,770	83,770
Expenditures:				
Capital outlay	295,692	1,132,280	1,125,803	6,477
Total Expenditures	295,692	1,132,280	1,125,803	6,477
Excess of Revenues Over Expenditures	247,176	(614,280)	(524,033)	90,247
Net Change in Fund Balance	$ 247,176	$ (614,280)	(524,033)	$ 90,247
Fund Balance, Beginning			571,267	
Fund Balance, Ending			$ 47,234	

CITY OF TAYLORSVILLE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND – BUILDING
For The Fiscal Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	final budget
Revenues:				
Impact fees	$ 10,000	$ 10,000	$ -	$ (10,000)
Total Revenues	10,000	10,000	-	(10,000)
Expenditures:				
Capital outlay	100,000	95,000	66,853	28,147
Total Expenditures	100,000	95,000	66,853	28,147
Excess of Revenues Over (Under) Expenditures	(90,000)	(85,000)	(66,853)	18,147
Other Financing Sources				
Transfers in	123,588	85,000	66,853	(18,147)
Total Other Financing Sources (Uses)	123,588	85,000	66,853	(18,147)
Net Change in Fund Balance	$ 33,588	$ -	-	$ -
Fund Balance, Beginning			-	
Fund Balance, Ending			$ -	

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Statistical Section

CITY OF TAYLORSVILLE
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS (1)
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	$ 150,727	$ 151,204	$ 149,286	$ 159,299	$157,622	$158,288	$179,651
Restricted	2,171	2,823	11,047	857	1,994	992	923
Unrestricted	3,089	3,264	2,938	1,728	3,824	4,254	3,767
Total governmental activities net assets	155,987	157,291	163,271	161,884	163,440	163,534	184,341
Business type activities							
Invested in capital assets, net of related debt	766	(24)	-	-	-	-	-
Restricted	3,483	4,392	-	-	-	-	-
Unrestricted	3,486	2,972	-	-	-	-	-
Total business type activities	7,735	7,340	-	-	-	-	-
Primary Government activities							
Invested in capital assets, net of related debt	151,493	151,180	149,286	159,299	157,622	158,288	179,651
Restricted	5,654	7,215	11,047	857	1,994	992	923
Unrestricted	6,575	6,236	2,938	1,728	3,824	4,254	3,767
Total Primary Government activities	163,722	164,631	163,271	161,884	163,440	163,534	184,341

(1) = Information is only presented for the last seven years due to GASB 34 being applicable for only seven years.

CITY OF TAYLORSVILLE
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS (1)
(Amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities							
General government	$ $ 2,813	$ 2,500	$ 1,899	$ 1,414	$ 2,065	$ 1,771	$ 1,752
Public safety	13,066	12,918	11,410	12,124	11,080	8,304	7,225
Highways and streets	4,755	5,083	5,470	3,075	2,947	5,242	4,885
Community development	1,867	1,616	1,586	1,497	1,597	1,004	1,197
Parks and recreation	466	102	245	64	47	250	161
Other	0	-	-	276	243	-	-
Interest on debt service	222	218	313	16	21	-	-
Total governmental expenses	23,189	22,437	20,923	18,466	18,000	16,571	15,220
Business type expenses							
Storm drain expenses	935	403	-	-	-	-	-
Total business expenses	935	403	-	-	-	-	-
Total primary governmental expenses	$ 24,124	$ 22,840	$ 20,923	$ 18,466	$ 18,000	$ 16,571	$ 15,220
Program Revenues							
Governmental activities							
Charges for service							
General government	$ $ 68	$ 2	$ 9	$ 262	$ 221	$ 23	$ -
Public safety	1,565	1,517	2,033	-	-	1,402	1,175
Community development	880	734	978	236	178	860	791
Operating grants and contributions	1,899	2,178	2,695	2,584	2,331	2,227	2,391
Capital grants and contributions	1,500	1,200	1,042	13	1,308	1,348	742
Total governmental program revenues	5,912	5,631	6,757	3,095	4,038	5,860	5,099
Business type revenue							
Storm drain revenue	1,257	1,146	-	-	-	-	-
Total business revenue	1,257	1,146	-	-	-	-	-
Total primary governmental program revenues	7,169	6,777	6,757	3,095	4,038	5,860	5,099
Net (expenses)/ Revenue							
Total primary government net expense	(16,955)	(16,063)	(14,166)	(15,371)	(13,962)	(10,711)	(10,121)
General Revenues and Other Changes in Net Assets							
General revenues:							
Property taxes	$ 4,755	$ 4,777	$ 4,863	$ 4,084	$ 4,028	$ 4,075	$ 4,059
Sales taxes	7,377	8,440	8,353	-	-	-	-
Franchise taxes	3,588	3,633	1,646	-	-	-	-
Other taxes	0	-	-	7,466	6,701	6,543	6,359
Unrestricted investment earnings	189	366	452	148	121	67	118
Gain (loss) on sale of capital assets	4	(63)	(5)	33	880	101	146
Other revenues	59	35	244	2,415	2,198	80	29
Transfer	-	(6,360)					
Total primary government	15,972	10,828	15,553	14,146	13,928	10,866	10,711
Changes in Net Assets							
Governmental activities	(1,304)	(5,980)	1,387	(1,556)	(34)	155	590
Business activities	396	7,340	-	-	-	-	
Prior Period adjustment	-	-	-	-	-	(21,022)	(40)
Net assets beginning	164,631	163,271	161,884	163,440	163,474	184,341	183,791
Net assets ending	$ 163,723	$ 164,631	$ 163,271	$ 161,884	$ 163,440	$ 163,474	$ 184,341

(1) information is only presented for seven years, due to GASB 34 being applicable for only seven years

Source: City of Taylorsville Statement of Activities for 2003-2009

CITY OF TAYLORSVILLE
Fund Balances of Governmental Funds
LAST TEN FISCAL YEARS (1)
(Amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General fund										
Reserved	$ -	$ 1,723	10,253	-	-	20	-	-	-	-
Unreserved	3,731	1,641	1,116	1,323	2,338	2,394	2,294	2,498	2,552	2,696
Total general fund	$ 3,731	$ 3,364	$11,369	$ 1,323	$ 2,338	$ 2,414	$ 2,294	$ 2,498	$ 2,552	$ 2,696
All other governmental funds										
Reserved	$ 2,172	$ 2,823	791	857	1,198	972	823	602	608	834
Unreserved, reported in:										
Special revenue	47	571	2,341	174	2,113	1,838	1,553	2,218	3,266	5,048
Capital projects	-	-	11	231	170	21	20	3,128	1,324	718
Total all other governmental funds	$ 2,219	$ 3,394	$ 3,143	$ 1,262	$ 3,481	$ 2,831	$ 2,396	$ 5,948	$ 5,198	$ 6,600

CITY OF TAYLORSVILLE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Taxes	$ 15,721	$ 16,850	$ 14,862	$ 11,550	$ 10,729	$ 10,618	$ 10,443	$ 11,082	$ 10,244	$ 9,833
Licenses and Permits	650	581	649	649	663	645	633	626	632	576
Intergovernmental	3,336	3,246	2,958	2,598	2,331	2,623	2,811	3,859	2,252	1,990
Charges for Services	376	267	396	262	221	283	158	150	119	133
Fines and Forfeitures	1,527	1,476	2,005	1,588	1,439	1,401	1,175	-	-	-
Interest Income	189	394	474	148	121	80	133	-	-	-
Impact Fees	23	60	215	236	178	398	241	310	272	358
Miscellaneous Revenue	59	34	244	171	30	61	69	1,433	1,625	1,413
Rental Income	-	-	6	6	66	-	-	-	-	-
Total Revenues	21,881	22,908	21,809	17,208	15,778	16,109	15,663	17,460	15,144	14,303
Expenditures										
General Government	2,043	2,006	1,467	1,631	1,393	1,331	1,470	3,249	2,252	2,164
Public Safety	12,528	11,835	10,737	9,764	8,969	8,188	7,107	6,642	5,131	3,961
Highways and Public Improvements	2,388	2,518	2,665	2,476	2,386	2,466	2,095	1,950	1,867	1,668
Community and Economic Development	1,845	1,547	1,565	1,206	1,293	991	1,044	987	863	343
Parks, Recreation, and Public Property	77	47	71	51	38	36	20	25	168	139
Non-Departmental	507	294	254	222	196	223	530	-	-	-
Capital outlay	2,792	4,808	2,524	5,186	3,168	2,419	7,496	3,911	6,235	4,423
Debt service:										
Principal	357	515	342	-	-	-	-	-	173	173
Interest	228	248	229	-	-	-	-	-	-	-
Total Expenditures	22,765	23,818	19,854	20,536	17,443	15,654	19,762	16,764	16,689	12,871
Excess of Revenues over (under) Expenditures	(884)	(910)	1,955	(3,328)	(1,665)	455	(4,099)	696	(1,545)	1,432
Other financing sources (uses)										
Transfers in	474		3,050	1,870	2,192	2,167	4,879	4,031	4,771	7,720
Transfer out	(474)	(6,933)	(3,050)	(1,870)	(2,192)	(2,167)	(4,879)	(4,031)	(4,771)	(7,720)
Prior Period Adjustments			-	-	-	-	(40)	-	-	-
Proceeds on the Sale of Assets	5	88	27	33	880	101	382	-	-	-
Proceeds of Issuance of Debt	71	-	9,944	-	1,308	-	-	-	-	-
Total other financing sources (uses)	76	(6,845)	9,971	33	2,188	101	342	-	-	-
Net changes in fund balances	($808)	($7,755)	$11,926	(3,295)	523	556	(3,757)	696	(1,545)	1,432
Debt service as a percentage of noncapital expenditures	2.9%	4.0%	3.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	2.0%

Source: City of Taylorville Statement of Revenues, Expenditures, and changes in Fund Balances - Governmental Funds 2000-2009

CITY OF TAYLORSVILLE
ASSESSED AND ESTIMATED ACTUAL VALUE TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Real Property		Personal Property		Total		Ratio of Total
Fiscal Year	Assessed Valuation	Estimated Actual Valuation	Assessed Valuation	Estimated Actual Valuation	Assessed Valuation	Estimated Actual Valuation	Assed Value to Total Est. Actual Value
2000	$1,451,405	$2,318,081	$115,266	$115,266	$1,566,671	$2,433,347	64.38%
2001	$1,522,869	$2,475,958	$101,592	$101,592	$1,624,461	$2,577,550	63.02%
2002	$1,628,664	$2,597,151	$151,308	$151,308	$1,779,972	$2,748,459	64.76%
2003	$1,717,749	$2,744,979	$124,131	$124,131	$1,841,880	$2,869,110	64.20%
2004	$1,718,979	$2,750,689	$117,424	$117,424	$1,836,403	$2,868,113	64.03%
2005	$1,842,680	$2,948,634	$93,857	$93,857	$1,936,537	$3,042,491	63.65%
2006	$2,102,847	$3,037,093	$96,129	$96,129	$2,198,976	$3,133,222	70.18%
2007	$2,099,895	$3,399,115	$96,841	$96,841	$2,196,736	$3,495,956	62.84%
2008	$2,632,094	$4,211,350	$135,418	$135,418	$2,767,512	$4,346,768	63.67%
2009	$2,353,900	$3,766,240	$154,522	$154,522	$2,508,422	$3,920,762	63.98%

Source: Information was taken from "Bond Certifcate Worksheets" that were provided by the Salt Lake County Auditors Office.

CITY OF TAYLORSVILLE
PROPERTY TAX RATES – ALL DIRECT OVERLAPPING GOVERNMENTS
(Per $1,000 of Assessed Value)
LAST TEN FISCAL YEARS

Fiscal Year	Taylorsville City	Salt Lake County	So. Salt Lake County Mosquito Abatement	Jordan Valley Water Conservancy District	Central Utah Conservancy District	Other District Range(1)		Total Tax Rate Range (2)	
						Low	High	Low	High
2000	1.645	3.871	0.013	0.404	0.369	7.273	9.275	13.575	15.208
2001	1.762	3.500	0.012	0.400	0.377	6.932	9.032	12.983	14.706
2002	1.936	3.789	0.014	0.400	0.369	6.711	8.648	13.219	14.787
2003	1.895	3.683	0.017	0.392	0.358	6.666	8.550	13.011	14.537
2004	1.932	3.427	0.034	0.397	0.358	6.950	9.082	13.098	14.872
2005	1.881	3.378	0.030	0.400	0.400	8.383	10.593	14.472	16.282
2006	1.801	2.988	0.027	0.352	0.357	7.544	10.554	13.069	15.722
2007	1.858	2.301	0.023	0.400	0.302	5.767	8.038	10.651	12.620
2008	1.690	2.278	0.025	0.400	0.400	6.054	6.679	10.847	11.072
2009	1.690	2.278	0.025	0.040	0.040	6.047	7.955	10.120	11.988

Source: Tax Rate/Mill Lewy File Listing Sheets from Salt Lake County Auditor's Office

(1) The City of Taylorsville is divided into seven tax districts. All seven districts are taxed by four entities listed above. Each district is also taxed by other separate taxing entities. These other entities do not tax all the districts rather only certain districts. The following is a list of the the other entities and their tax rate: Granite School District (0.006047), taylorsville Bennion Imp. Dist.(0.000158), Graniger-Hunter Imp. Dist.(0.000662), Kearns Imp. Dist.(0.000737), and Jordan School District(0.005980) and Jordan/Canyon debt(.001400). The "Low" Rate provided here represents the tax district with the lowest combined tax rate from the other taxing entities. The "High" represents the tax district with the highest combined tax rate from the other taxing entities

(2) The total tax rate range represents the range within: which, all the property tax rates in the City of Taylorsville will fall

CITY OF TAYLORSVILLE
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2009
(Per $1,000 of Assessed Value)

	2009			2008		
Taxpayer	Taxable Assessed Value	Rank-2009	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank-2008	% of Total Taxable Assessed Value
Hermes Associates, LTD	$ 46,662	1	1.66%	$ 47,932	1	1.76%
Inland Western Taylorsville	$ 38,542	2	1.37%	$ 44,762	2	1.64%
Arden Realty Limited	$ 35,137	3	1.25%	$ 43,620	3	1.60%
Summerwood Associates	$ 23,567	4	0.84%	$ 21,666	6	0.80%
Fairstone Cascade LLC	$ 23,393	5	0.83%	$ 25,862	4	0.95%
Hermes Associates LTD	$ 21,126	6	0.75%	$ 23,720	5	0.87%
PCCP JSP Fairway LLC	$ 20,291	7	0.72%	$ 21,091	8	0.77%
Wal-Mart Real Estate	$ 19,133	8	0.68%	$ 21,556	7	0.79%
BC-GFS Settler's Point	$ 15,263	9	0.54%	$ 16,163	10	0.59%
Mikami Brothers	$ 13,798	10	0.49%	$ 18,250	9	0.67%
ICU Medical Inc.	$ 13,179	11	0.47%	$ 16,133	11	0.59%
DDR Family Centers LP	$ 12,719	12	0.45%	$ 15,328	12	0.56%
Rural Enterprises	$ 12,394	13	0.44%	n/a	n/a	n/a
The Mark Twain Limited	$ 12,341	14	0.44%	$ 14,527	13	0.53%
SRP Building Ix LLC	$ 11,819	15	0.42%	n/a	n/a	n/a
FPA West Point LLC			0.00%	$ 14,169	14	0.52%
Alliance Capital			0.00%	$ 13,809	15	0.51%
	$ 319,364		11.36%	$ 358,588		13.17%

CITY OF TAYLORSVILLE
PROPERTY TAX LEVIES AND COLLECTIONS
(BASED ON TAX YEAR RATHER THAN ON FISCAL YEAR)
LAST TEN FISCAL YEARS

Fiscal Year	Capital Lease	Notes Payable	Bonds	Percentage of Personal Income	Per Capita Personal Income
2000	-	174	-	0.01%	$ 25.62
2001	-	-	-	0.00%	$ 25.62
2002	-	-	-	0.00%	$ 27.67
2003	-	-	-	0.00%	$ 28.92
2004	-	-	-	0.00%	$ 29.35
2005	1,308	-	-	0.07%	$ 29.84
2006	977	-	-	0.05%	$ 31.37
2007	635	-	10,000	0.52%	$ 32.98
2008	282	-	9,700	0.46%	$ 34.93
2009	350	-	9,355	0.44%	$ 35.69

CITY OF TAYLORSVILLE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands, except per capita amount)

Fiscal Year	Capital Lease	Notes Payable	Bonds	Percentage of Personal Income	Per Capita Personal Income
2000	-	174	-	0.01%	$ 25.62
2001	-	-	-	0.00%	$ 25.62
2002	-	-	-	0.00%	$ 27.67
2003	-	-	-	0.00%	$ 28.92
2004	-	-	-	0.00%	$ 29.35
2005	1,308	-	-	0.07%	$ 29.84
2006	977	-	-	0.05%	$ 31.37
2007	635	-	10,000	0.52%	$ 32.98
2008	282	-	9,700	0.46%	$ 34.93
2009	350	-	9,355	0.44%	$ 35.69

CITY OF TAYLORSVILLE
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT – GENERAL OBLIGATION BONDS
JUNE 30, 2009

Name of Governmental Units	Net Debt Outstanding	Percentage Applicable to City of Taylorsville	Amount Applicable to City of Taylorsville
Direct Debt- City of Taylorsville	-	100.00%	-
Overlapping Debt:			
State of Utah:	$ 2,474,790,000	2.14%	$ 53,015,245
Salt Lake County:	268,765,000	3.70%	9,944,305
			$ 62,959,550

CITY OF TAYLORSVILLE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt Limit	112,474	108,886	89,606	79,147	75,358	73,456	73,675	71,199	66,178	62,667
Total net debt applicable to limit	$ 9,355	$ 9,700	$ 10,000							174
Legal debt margin	103,119	99,186	79,606	79,147	75,358	73,456	73,675	71,199	66,178	62,493
Total net debt applicable to the limit as a percentage of debt limit	9%	10%	13%	0.00%						

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	2,811,852	2,722,154	2,240,142	1,978,687
Add back: Exempt real property				
Total assessed value	2,811,852	2,722,154	2,240,142	1,978,687
Debt limit (4% of total assets, value)	$ 112,474	$ 108,886	$ 89,606	79,147
Debt applicable to limit				
General obligation bonds				
Les: Amount set aside for repayment on gen. ob. Debt				
Total net debt applicable to limit				
Total debt margin	$ 112,474	$ 108,886	$ 89,606	$ 79,147

CITY OF TAYLORSVILLE
DEMOGRAPHIC STATISTICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS*

Fiscal Year	Population (1)	Square Miles (1)	New Lots Approved (1)	Total Housing Units (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment rate (3)
2000	59,253	10.7	210	17,861	307,601	5,191	2.80%
2001	58,439	11.0	149	18,010	342,733	5,865	3.80%
2002	58,805	11.0	104	18,128	378,194	6,431	5.00%
2003	59,887	10.9	120	20,005	403,009	6,729	5.40%
2004	60,174	10.7	287	20,098	389,087	6,466	4.60%
2005	60,988	10.7	97	20,195	441,026	7,231	5.00%
2006	61,532	10.7	245	20,440	462,037	7,509	3.40%
2007	61,637	10.7	121	20,561	471,278	7,646	2.80%
2008	61,818	10.7	127	20,688	480,704	7,776	3.20%
2009	61,835	10.7	29	20,717	481,200	7,782	5.70%

Source:
1) The City of Taylorsville, Community Development Department
2) Utah State Tax Commission
3) The Utah Department of Employment Security, Economics Department(June)

CITY OF TAYLORSVILLE
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

FY	General Property Tax	General Sale and Use Tax	Franchise Taxes	Total Tax Revenue
2000	$2,880,391	$6,777,222	$ 175,105	$ 9,832,718
2001	$3,373,330	$6,663,433	$ 207,403	$10,244,166
2002	$3,987,443	$6,859,434	$ 234,690	$11,081,567
2003	$4,059,152	$6,150,980	$ 233,458	$10,443,590
2004	$4,074,852	$6,336,038	$ 207,566	$10,618,456
2005	$4,028,194	$6,478,319	$ 222,774	$10,729,287
2006	$4,084,327	$7,232,232	$ 233,583	$11,550,142
2007	$4,863,825	$8,352,652	$1,645,565	$14,862,042
2008	$4,777,115	$8,440,299	$3,632,579	$16,849,993
2009	$4,755,101	$7,377,453	$3,588,153	$15,720,707

Date of Incorporation	July 1, 1996
Form of Government	Mayor/Council
Number of employees	157 (105 FTE)
Appointed	8
Elected	6*
Area in square miles	10.7
Registered voters	30,547

City of Taylorsville facilities and services:

Culture and Recreation:	
Swimming Pools	1
Parks	9 (including County owned)
Developed	6
Undeveloped	3
Libraries (County)	1
Golf Courses	2
Fire Protection:	
Number of stations/COP	2
Fire Service	Contract with Unified Fire Authority
Education:	
Number of elementary schools	9**
Number of secondary schools	2**
Number of high schools	1**

* Not included in number of employees.

** City of Taylorsville residents attended two additional elementary schools, one additional secondary

CITY OF TAYLORSVILLE
PRINCIPAL EMPLOYERS
JUNE 30, 2009.

Company	Number of Employees
American Express	1761
Convergys (3)	1396
Wal-Mart	450
ICU Medical	432
Sorenson Communications, Inc.	364
Nelson Laboratories, Inc.	324
Adecco USA, Inc.	190
G E Capital Financial	164
Harmons (Taylorsville)	157
24 Hour Fitness USA, Inc.	150
RC Willey Home Furnishings	108
Albertsons #367	102
Texas Roadhouse	100
Albertsons #353	94
Old Spaghetti Factory of Utah	94
IHC Taylorsville Health Center	94
ITT Technical Institute	92
K Mart	87
Heritage Bennion Care Center	86
Ream's #6	84
Quartzdyne, Inc.	81
FutureVision Technologies	77
Applebee's Neighborhood Grill	70
Shopko Stores Operating Co., LLC	68
DataChem Laboratories	67
Jo-Ann	65
AT&T Mobility	59
American Express Centurion Bank	58
Performance Plus Staffing	57
Able Body Labor	53

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
City of Taylorsville, Utah

We have audited the basic financial statements of City of Taylorsville, Utah (the City), as of and for the year ended June 30, 2009, and have issued our report thereon dated November 23, 2009. 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.

Internal Control Over Financial Reporting In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the City Council and others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 23, 2009

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON STATE OF UTAH STATE LEGAL COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
City of Taylorsville, Utah

We have audited the basic financial statements of City of Taylorsville, Utah (the City), for the year ended June 30, 2009, and have issued our report thereon dated November 23, 2009. As part of our audit, we have audited the City's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2009. The City received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements. However, these programs were subject to testwork as part of the audit of the City's financial statements.

Liquor Law Enforcement (State Tax Commission)
State of Utah Law Enforcement Grants

Our audit also included testwork on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Cash Management	B & C Road Funds
Budgetary Compliance	Other Compliance Requirements
Truth in Taxation and Property Tax Limitation	Impact Fees
Liquor Law Enforcement	Uniform Building Code Standards
Public Debt	Purchasing Requirements
Justice Courts	Asset Forfeiture
	Utah Retirement Systems

The management of the City is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, City of Taylorsville, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2009.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

November 23, 2009