



Comprehensive Annual Financial Report



Year Ended June 30, 2015

CITY OF TAYLORSVILLE

Taylorsville, Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared by:

Scott P. Harrington

Chief Financial Officer / Assistant City Administrator

CITY OF TAYLORSVILLE
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13 November 2015

Honorable Lawrence Johnson, Mayor
Kristie Overson, Taylorsville City Council Chair
Ernest Burgess, Taylorsville City Council Vice-Chair
Dama Barbour, Taylorsville City Councilmember
Brad Christopherson, Taylorsville City Councilmember
Daniel Armstrong, Taylorsville City Councilmember

Dear Elected Officials, Citizens and Interested Parties,

With this letter, we hereby present and transmit *The Comprehensive Annual Financial Report (CAFR)* of The City of Taylorsville for the fiscal year ended June 30, 2015. The CAFR fulfills the requirements in Utah State law 10-6-150(1) 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 provides the reader with a comprehensive financial analysis covering all funds and financial transactions for the fiscal year, which began on July 1, 2014 and ended June 30, 2015.

The City’s Administrative staff has prepared this CAFR with assistance from accounting, auditing and financial professionals under contract with the City. 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.

Organization of the CAFR

The documents assembled in this report provide all the disclosures necessary to enable the reader to gain an understanding of the City’s financial activities for the fiscal period ending June 30, 2015. 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 in the annual audit of the City.

There are four sections of this report, the Introduction, the Financial Section, the Statistical Section and the Compliance Section.

1. **The Introductory Section** is a narrative abstract of the financial statements.
2. **The Financial Section** includes:
 - 2.1 The Independent Auditors’ Report;
 - 2.2 Management’s Discussion and Analysis.
 - 2.3 Basic Financial Statements (BFS).

- 2.4 Notes to the financial statements, and
- 2.5 Required Supplemental Information
- 2.6 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 pertaining to the individual funds is presented in the supplemental statements and schedules. The Independent Auditors' Report is written and submitted by the accounting firm of Hansen, Bradshaw, Malmrose and Erickson, P.C., after a review and testing of the City's accounting and financial management practices. The Auditor's Report measures these practices with Generally Accepted Accounting Practices (GAAP) and those issued by the Government Accounting Standards Board (GASB). The audit report is used to provide reasonable assurance that the financial statements of the City of Taylorsville are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; evaluating the significant estimates made by management; assessing the accounting principles used; and evaluating the overall financial statement presented by the City in this Comprehensive Annual Financial Report.

- 3 **The Statistical Section** includes information that is unaudited and provides both financial and general information about the City that is important to private and public decision makers. The additional information has been designed to cover more than two fiscal years, and reflects both social and economic data and provides information relating to financial trends and the fiscal capacity of the City.
- 4 **The Compliance Section** includes reports that are required to comply with the Government Auditing Standards and Utah State financial accounting and reporting statutes and administrative rules.

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, and other governmental agencies and through the direct employment of City employees. These services include law enforcement by interlocal agreement with the Unified Police Department of Salt lake; municipal court services; 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 As of January 01, 2014 fire protection and emergency medical services are Unified Fire Authority's responsibility, due to the referendum vote in November 2013. Taylorsville reduced it tax rate in 2014 by 50% as a result of the vote.

GENERAL INFORMATION

The City of Taylorsville is located in the very center of Salt Lake County and was incorporated July 1, 1996. Since the settlement of the area in 1860 through the 1940s, the small farming community maintained a population of approximately 180 to 200 individuals. The population increased from about 4,000 individuals with 600 housing units, to 49,600 with about 16,000 housing units between the years 1960 to 1987. The U.S.

Census Bureau estimates the Taylorsville population at 60,433 as of July 1, 2015 with an approximate annual growth rate of .71%. The census bureau has based this estimate on the 2010 census.

The median age of Taylorsville residents is 31.6 years with 27.4 percent of the population under 18 years of age. The median household income is \$57,553. Taylorsville is the eleventh largest city in Utah by population and has the highest population density of all Utah incorporated municipalities with 5,406 persons per square mile. The U.S Census Bureau lists per capita income over the last twelve months as \$22,426.

ECONOMIC CONDITION AND OUTLOOK

The City of Taylorsville, the State of Utah and our nation continue to operate in a challenging economic environment. In the depth of the 2007 recession, municipal tax revenue (primarily sales tax) decreased by \$1,966,240 from the previous high mark in 2007-2008. Throughout the economic downturn, citizens and city employees sacrificed by reducing city expenditures, resulting in decreased services in road and infrastructure maintenance and snow plowing. Despite the economic slowdown in retail sales, the City has continued to enjoy continued business construction and new business development opportunities including:

- The opening of several national franchise businesses Del Taco and Chick-Fil-A are examples of businesses expanding to Taylorsville.
- The redevelopment and opening of several new restaurants and retail stores along the Redwood Road and 5400 South corridors.
- Commercial office development has continued to increase this past year with a high-end office complex starting construction at 2700 W and 4200 S and construction of new retail buildings in the new Crossroads of Taylorsville and Legacy Plaza at 54th.

The City received 37.9 % of its general fund revenue from sales taxes, and 17.5 % from real property, personal property and motor vehicle taxes.

MAJOR INITIATIVES

Of significant importance is the need for the City to invest in the maintenance of streets, storm drains, parks and government buildings where maintenance has been deferred in order to reduce expenditures in the depths of the recession. The City Council has begun to restore funding dedicated to these initiatives, as well as approve funding directed toward economic development activities.

Looking forward, the Mayor and the City Council have set challenging goals for our future. Strategic planning processes have reset the vision for the City of Taylorsville for the next ten years. We believe that these goals and objectives will be achieved with aggressive economic development activities with our business partners, continued government efficiencies, and strict adherence to fiscal discipline. The City is well positioned to meet our economic growth goals with its ideal location in the Salt Lake valley, educated population, and business and government partnerships.

Major initiatives and projects include significant road and storm drain projects throughout the City totaling more than \$10 Million dollars spanning the 2009-2015 fiscal years. The City has completed the planning and design of the Redwood Road Business District Phase II and III, and has entered into agreements with the State, Utah Transit Authority, Salt Lake County and Murray City to create a mass transit corridor running primarily along 4700 South from the Murray Trax line to the Salt Lake Community College. The route will provide transit opportunities to many of the City's major employers including those who work in the Sorenson Research Park, Neilson Labs and Convergys and as well as many others.

FINANCIAL INFORMATION

As a government entity, the City of Taylorsville maintains financial internal accounting control through separate funds, rather than as a single accounting entity. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Intergovernmental Fund, Capital Projects Funds, Storm Water Fund, and the City Cemetery Fund. Each fund is treated as a distinct, balanced 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 from the activity. The valuation of costs and benefits requires estimates and judgments by management and is reviewed as part of the annual audit to assure that the existing internal controls are in compliance with GAAP.

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 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 \$20,968,255 in the fiscal year ending June 30, 2015. Property taxes, motor vehicle taxes, and general sales taxes constitute the major sources of revenue. All tax categories in aggregate generated 73.2% of general fund revenue.

The unassigned General Fund balance for the year was \$4,872,236, which is equivalent to 86 calendar days of operation expenditures should the City need to use these funds in an emergency. The fund balance represents about 23.3% of General Fund revenue.

DEBT ADMINISTRATION – In this accounting period the City managed total debt in the amount of \$12,854,742 in the form of sales tax revenue bonds for storm drain and road infrastructure improvements. Short-term-debt, is debt that is due in less than one year, payable during the 2014-2015 fiscal year totaled \$678,000.

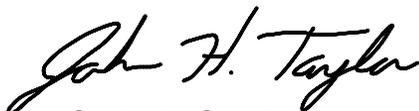
CASH MANAGEMENT – All available cash in excess of determined operational needs is invested in compliance with the City’s adopted money management and financial policies. Interest income is allocated to all funds based on the percentage of cash attributed to each fund in the investment pool. Interest earnings for total government funds for the fiscal year 2014-15 was \$91,883.

RISK MANAGEMENT -- The City participated in the Utah Local Government Trust for general liability coverage in the 2014-15 Fiscal Year. The City purchases health benefits and worker’s compensation coverage from commercial insurance companies.

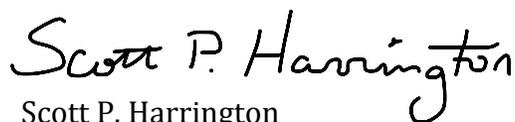
INDEPENDENT AUDIT – The Utah State Municipal Code requires an annual audit by independent public accountants. The City’s consultant selection committee has recommended, and the City Council has selected, Hansen, Bradshaw, Malmrose & Erickson, P.C. to perform the audit required by state law and to meet 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 – We 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 financial schedules and audited numbers; however, on a comparative basis with other like organizations the City of Taylorsville provides excellent services with a limited staff in large part because of the dedication of our employees. The entire city staff and our contractors contributed to the preparation of this Comprehensive Annual Financial Report through their good works. We express our sincere appreciation for their contributions to the citizens of our great city and to this report.

Respectfully,



John H. Taylor, P.E.
City Administrator/City Treasurer



Scott P. Harrington
C.F.O./Assistant City Administrator

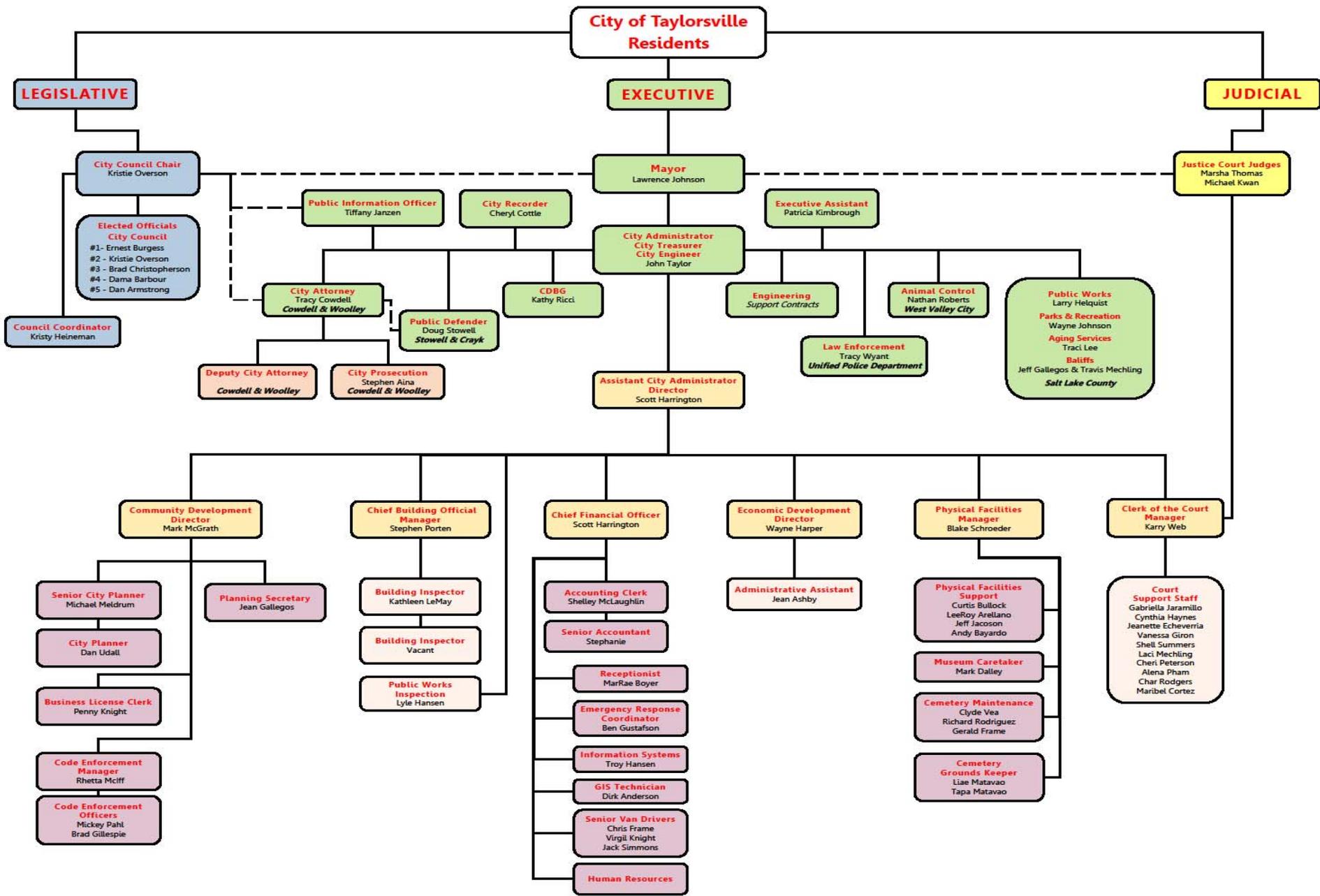
Elected Officials

Mayor	Lawrence Johnson
Council Chairman	Kristie S. Overson
Council Vice Chairman	Ernest Burgess
Council Member	Dama Barbour
Council Member	Brad Christopherson
Council Member	Daniel Armstrong

Appointed Officials

City Administrator / Treasurer	John Taylor
C.F.O./ Assistant City Administrator	Scott Harrington
Community Development Director	Mark McGrath
Justice Court Judge	Michael W. Kwan
Justice Court Judge	Marsha Thomas
Recorder	Cheryl Peacock-Cottle

¹ Justice Court Judges were appointed by the Mayor, with the advice and consent of the City Council for the 2009-2010 fiscal year. In November 2010 the Judges stood for a retention election for the first time.



Financial Section

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation
CERTIFIED PUBLIC ACCOUNTANTS

559 West 500 South
Bountiful, Utah 84010
801-296-0200
Fax 801-296-1218

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

E. Lynn Hansen, CPA
Clarke R. Bradshaw, CPA
Gary E. Malmrose, CPA
Edwin L. Erickson, CPA
Michael L. Smith, CPA
Jason L. Tanner, CPA

Robert D. Wood, CPA
Aaron R. Hixson, CPA
Ted C. Gardiner, CPA
Jeffrey B. Miles, CPA

*Members of the
American Institute
of Certified Public
Accountants*

*Members of the
Private Company
Practice Section*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the major special revenue economic development fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-11 and the pension schedules on page 45-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison information, and the combining component unit financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves,

and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison information, and combining component unit financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

November 12, 2015

Management's Discussion and Analysis for fiscal year 2014-15

The following discussion and analysis of the City of Taylorsville's financial performance provides a narrative overview and analysis of its financial activities for the year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with the additional information we have provided in our letter of transmittal, which can be found on pages i-v of this report.

This annual report consists of a series of financial statements:

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and presents the reader with a broad overview of the financial condition of the City for the fiscal period.

Financial Highlights

- Primary government total assets exceeded total liabilities at the close of 2015 by \$176,504,984 (net position). Of this amount, \$159,555,668 was invested in capital assets and \$5,497,031 was restricted for debt service, future construction and other purposes. The City's governmental activities have an unrestricted net position of \$8,672,197. The City's business-type activities have an unrestricted net position of \$2,780,088.
- The City's total net position increased by \$2,014,526 in 2015. The net position of the governmental activities increased by \$1,810,932 in 2015 compared to a net increase of \$9,283,838 in 2014. The City's net position of business-type activities increased by \$203,594 in 2015 compared to a net increase of \$339,394 in 2014.
- At of the close of 2015, the City's governmental funds reported combined ending fund balances of \$15,371,782. The restricted and assigned portion of the fund balance is \$10,499,546.
- At the end of 2015, the unassigned fund balance for the General Fund was \$4,872,236 or 23.3% of total General Fund revenue, which is up from 18% in fiscal year 2014.
- The City Retired \$3,439,742 in bonds during the current year. This was done by selling land the City had reserved for resale as part of our economic development efforts and prepayment of the 2012 series bonds.
- The City's business-type activities reported net position of \$9,424,660 as of the end of June 30, 2015, which was a \$203,594 increase from 2014.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are comprised of three components:

- 1) Government-wide financial statements,
- 2) Fund financial statements, and
- 3) Notes to the basic financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements distinguish the functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or other charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community services and debt service. The business-type activities of the City are its storm water management fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also the following legally separate entities for which the City is financially accountable:

- Redevelopment Agency of City of Taylorsville
- Taylorsville Arts Council
- Taylorsville Dayzz

Financial information for these component units are reported separately from the financial information presented for the primary government itself.

CITY OF TAYLORSVILLE
Management's Discussion and Analysis
For the year ended June 30, 2015

The government-wide financial statements are summarized with the following charts and graphs.

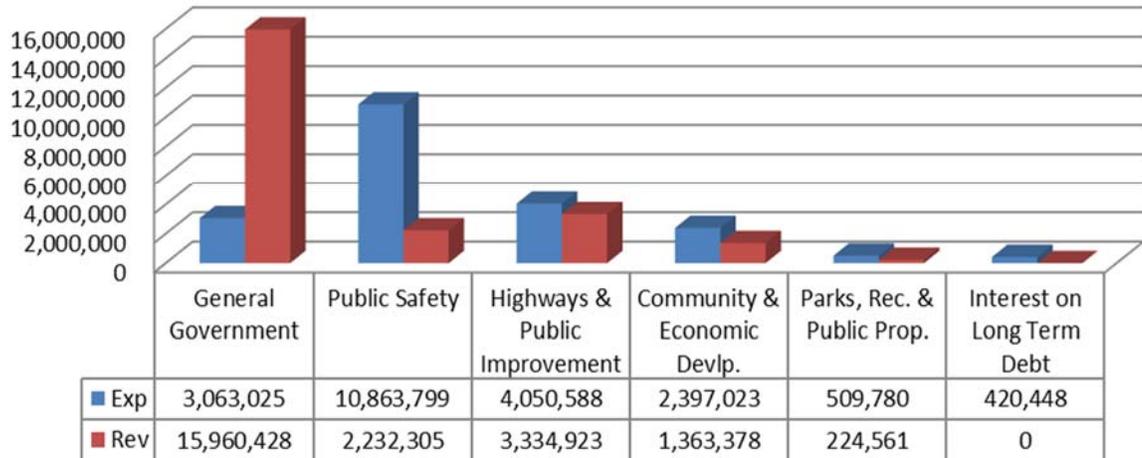
	Governmental Activities June 30, 2015	Governmental Activities June 30, 2014	Business Type Activities June 30, 2015	Business Type Activities June 30, 2014	Totals June 30, 2015	Totals June 30, 2014
Current and other assets	\$ 22,296,487	\$ 19,783,804	\$ 4,578,516	\$ 4,581,174	26,875,003	\$ 24,364,978
Capital assets	158,030,553	162,373,743	8,743,862	8,173,033	166,774,415	170,546,776
Total Assets	180,327,040	182,157,547	13,322,378	12,754,207	193,649,418	194,911,754
Long-term debt outstanding	6,230,739	9,717,322	3,409,538	3,446,896	9,640,277	13,164,218
Other liabilities	7,015,977	6,219,195	488,180	86,245	7,504,157	6,305,440
Total Liabilities	13,246,716	15,936,517	3,897,718	3,533,141	17,144,434	19,469,658
Net assets:						
Invested in capital assets, net of debt	152,911,096	149,199,438	6,644,572	5,080,763	159,555,668	154,280,201
Restricted	5,497,031	4,178,364	-	-	5,497,031	4,178,364
Unrestricted	8,672,197	12,843,228	2,780,088	4,140,303	11,452,285	16,983,531
Total Net Position	\$ 167,080,324	\$ 166,221,030	\$ 9,424,660	\$ 9,221,066	\$ 176,504,984	\$ 175,442,096

CITY OF TAYLORSVILLE'S CHANGES IN NET POSITION

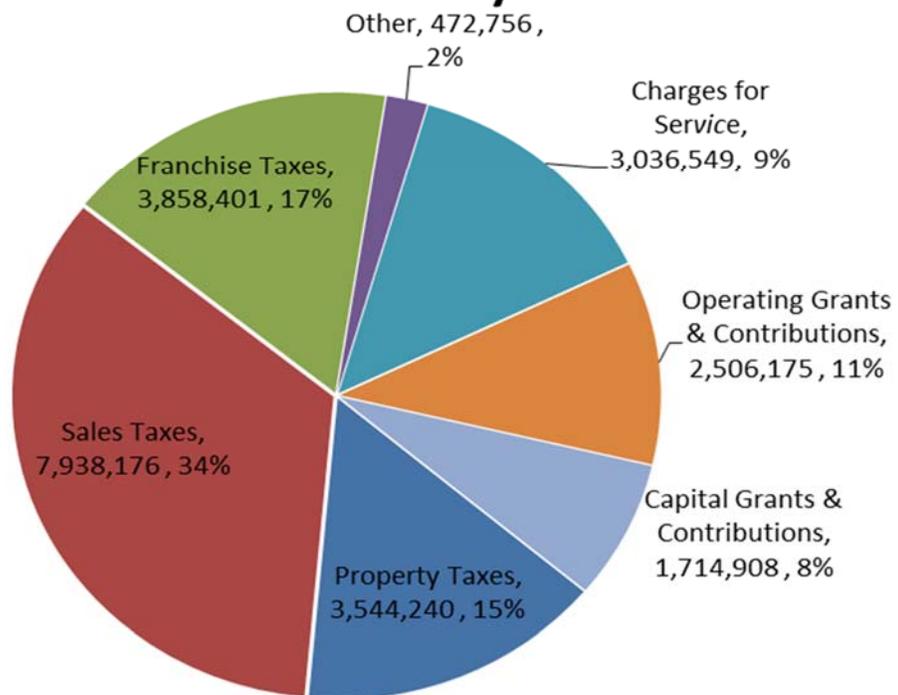
	Governmental Activities June 30, 2015	Governmental Activities June 30, 2014	Business Activities June 30, 2015	Business Activities June 30, 2014	Total June 30, 2015	Total June 30, 2014
Revenues						
Program revenues:						
Charges for services	\$ 3,080,939	\$ 3,036,549	\$ 1,177,932	\$ 1,171,158	\$ 4,258,871	\$ 4,207,707
Operating grants and contributions	2,506,175	2,064,959	-	-	2,506,175	2,064,959
Capital grants and contributions	1,714,908	8,769,610	-	-	1,714,908	8,769,610
General revenues:						
Property taxes	3,544,240	6,831,440	-	-	3,544,240	6,831,440
Other taxes	11,796,577	11,666,896	-	-	11,796,577	11,666,896
Other revenues	472,756	418,142	317	1,963	473,073	420,105
Total revenue	23,115,595	32,787,596	1,178,249	1,173,121	24,293,844	33,960,717
Program expenses:						
General government	3,063,025	3,164,410	974,655	833,727	4,037,680	3,998,137
Public safety	10,863,799	13,101,774	-	-	10,863,799	13,101,774
Highway and public improvements	4,050,588	4,119,982	-	-	4,050,588	4,119,982
Community and economic development	2,397,023	2,290,241	-	-	2,397,023	2,290,241
Parks and public property	509,780	470,425	-	-	509,780	470,425
Interest on long term debt	420,448	356,926	-	-	420,448	356,926
Total expenses	21,304,663	23,503,758	974,655	833,727	22,279,318	24,337,485
Increase in net position	1,810,932	9,283,838	203,594	339,394	2,014,526	9,623,232
Net Position Beginning of Year, Restated	165,269,392	156,937,192	9,221,066	8,881,672	174,490,458	165,818,864
Net Position End of year	\$ 167,080,324	\$ 166,221,030	\$ 9,424,660	\$ 9,221,066	\$ 176,504,984	\$ 175,442,096

CITY OF TAYLORSVILLE
 Management's Discussion and Analysis
 For the year ended June 30, 2015

Expenses and Program Revenue FY 2015



Revenues by Source Governmental Activities Fy 2015



Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects- Infrastructure, Capital Projects- Building, Park-Impact and the Economic Development Fund. The basic governmental fund financial statements can be found on pages 14 -17 of this report.

Enterprise Funds

The proprietary fund financial statements provide separate information for the Storm Water Management Fund.

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23-47 of this report.

Other information in addition to the basic financial statements and accompanying notes presents certain required supplementary information concerning the City's budgets and operational and long term planning for capital projects. The City adopts

an annual appropriation budget for its General Fund and all special revenue and capital project funds. Budgetary comparison schedules have been provided for these to demonstrate compliance with the annual budget requirements and the City's accounting processes.

The combining statements in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 49-55 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$176.5 million at the close of 2015.

The largest portion of the City's net position (90.4%) reflects its net investment in capital assets (e.g. land, buildings, improvements other than buildings, machinery and equipment, and infrastructure). The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, because capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.1%) represents resources that are subject to restrictions as to how they may be used. Of the total \$5.5 million restricted net position, \$21,171 is restricted for road maintenance project (Class C roads), \$1,798,734 is restricted for park construction projects, and \$3,677,126 is restricted for other future capital projects. The unrestricted balance is \$11,452,285.

At the end of the current fiscal year, the City was able to report positive balances in unrestricted net position for the government as a whole and for its separate governmental activities as was the case in the last several prior years. The business-type activities reported positive balances in unrestricted net position at the end of the current year, as was the case in the last several prior years.

Capital Assets and Debt Administration

The City's infrastructure is currently in good condition. The increase in infrastructure expenditures over the past three years has had a positive impact on the integrity of our infrastructure assets; however, deferred maintenance to our infrastructure and delayed capital improvement projects in previous years (2008-2012) due to the economic slow-down will require increased spending and maintenance in the future to avoid an accelerated degradation of assets. The following charts show our investment in capital assets and the outstanding debt used to finance these projects.

CITY OF TAYLORSVILLE
Management's Discussion and Analysis
For the year ended June 30, 2015

At June 30, 2015, the City had \$9,415,000 of long-term bonds outstanding, secured by specified revenue sources, (i.e. sales tax revenue bonds/ property tax revenue bonds). All of the City's capital leases were paid off during 2014. See chart below.

	Governmental Activities		Business type Activities	
	2015	2014	2015	2014
Land and water rights	\$ 129,982,436	\$ 126,587,578	\$ -	\$ -
Construction in progress	2,153,836	8,791,730	1,186,008	354,626
Building and improvements	11,025,841	8,125,310	-	-
Office furniture and equipment	116,686	145,874	8,447	29,775
Vehicles and equipment	46,116	64,113	-	-
Infrastructure	14,703,682	14,459,138	8,735,415	8,143,258
	<u>\$ 158,028,597</u>	<u>\$ 158,173,743</u>	<u>\$ 9,929,870</u>	<u>\$ 8,527,659</u>

	Governmental Activities		Business type Activities	
	2015	2014	2015	2014
Revenue bonds payable	\$ 6,017,501	\$ 9,486,099	\$ 3,409,538	\$ 3,446,896
Leases payable	-	0	-	-
Compensated absences	213,238	231,223	-	-
	<u>\$ 6,230,739</u>	<u>\$ 9,717,322</u>	<u>\$ 3,409,538</u>	<u>\$ 3,446,896</u>

The City's total bonded debt decreased by \$3,505,956 during fiscal year 2015. The key factors in this decrease were the repayment of the 2012 sales and use tax bonds and refunding of other bonds for economic development projects. The City maintains bond ratings as follows: "AA" rating from Standard & Poor's on its storm water management and infrastructure bonds series 2006, and an "AA" rating from Standard & Poor's on its sales and use tax bonds.

The City has not issued general obligation bonds and therefore has no general obligation debt as of June 30, 2015. Sales and use tax bonds are special debts of the City and are not considered general obligation bonds by the state.

Additional information regarding the City's long-term debt can be found in Note 6 on page 35 of this report.

Economic Factors and the Next Year's Budget and Rates

- The unemployment rate for the City and for Utah was at 3.50% at the end of June 2015, which was lower than the 3.70% rate for 2014. The national was 5.3% as of the end of June 2015.
- The City expects a .5% increase in its tax revenue for the coming year. These factors were considered when the City prepared its 2015-2015 fiscal year budget.
- The City Council has identified economic development as one of the top priorities in the City for the next fiscal year budget. To that end, four redevelopment agency areas have been identified and plans to invest in infrastructure have been developed.
- The City feels it is important to continue to improve the recreation opportunities for the community. The Council has budgeted several park upgrades to our current parks along with increased maintenance.
- One of the major goals of the Taylorsville City Council is to maintain financial stability in the General Fund by adopting a budget with a minimum fund balance of 16% of anticipated revenue.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to provide accountability for the money the City received. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Scott Harrington, Chief Financial Officer, 801-963-5400, 2600 West Taylorsville Boulevard, Taylorsville, Utah 84129.

CITY OF TAYLORSVILLE
Statement of Net Position
June 30, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 13,489,969	\$ 3,091,279	\$ 16,581,248	\$ 291,276
Receivables, net of allowance				
Taxes	5,134,320	-	5,134,320	-
Intergovernmental	644,067	-	644,067	-
Accounts	701,376	135,718	837,094	17,903
Restricted assets:				
Cash and cash equivalents	1,986,481	41,271	2,027,752	-
Net pension asset	1,956	-	1,956	-
Capital assets not being depreciated:				
Land and water rights	129,982,436	-	129,982,436	-
Construction in progress	2,153,836	1,186,008	3,339,844	-
Capital assets - net of accumulated depreciation:				
Buildings and improvements	11,025,841	-	11,025,841	-
Office furniture and equipment	116,686	8,447	125,133	2,523
Vehicles and equipment	46,116	-	46,116	-
Infrastructure	14,703,682	8,735,415	23,439,097	-
Total assets	<u>179,986,766</u>	<u>13,198,138</u>	<u>193,184,904</u>	<u>311,702</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred loss on refunding	145,845	124,240	270,085	-
Deferred outflows related to pensions	194,429	-	194,429	-
Total deferred outflows of resources	<u>340,274</u>	<u>124,240</u>	<u>464,514</u>	<u>-</u>
<u>LIABILITIES</u>				
Accounts payable	2,249,429	484,761	2,734,190	103,593
Accrued liabilities	257,740	-	257,740	-
Accrued interest payable	4,014	3,419	7,433	-
Net pension liability	902,714	-	902,714	-
Noncurrent Liabilities:				
Due within one year	505,691	253,000	758,691	-
Due in more than one year	5,725,048	3,156,538	8,881,586	-
Total liabilities	<u>9,644,636</u>	<u>3,897,718</u>	<u>13,542,354</u>	<u>103,593</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred property tax revenue	3,480,923	-	3,480,923	-
Deferred inflows related to pensions	121,157	-	121,157	-
Total deferred inflows of resources	<u>3,602,080</u>	<u>-</u>	<u>3,602,080</u>	<u>-</u>
<u>NET POSITION</u>				
Net investment in capital assets	152,911,096	6,644,572	159,555,668	2,523
Restricted for:				
Future construction	3,677,126	-	3,677,126	-
Class C roads	21,171	-	21,171	-
Parks	1,798,734	-	1,798,734	-
Unrestricted	8,672,197	2,780,088	11,452,285	205,586
Total net position	<u>\$ 167,080,324</u>	<u>\$ 9,424,660</u>	<u>\$ 176,504,984</u>	<u>\$ 208,109</u>

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

CITY OF TAYLORSVILLE
Statement of Activities
For the Year Ended June 30, 2015

	Program Revenues				Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Functions / Programs								
Primary Government:								
Governmental activities								
General government	\$ 3,063,025	\$ 127,800	\$ 19,055	\$ -	\$ (2,916,170)		\$ (2,916,170)	
Public safety	10,863,799	2,160,169	72,136	-	(8,631,494)		(8,631,494)	
Highways and public improvements	4,050,588	-	1,802,805	1,532,118	(715,665)		(715,665)	
Community and economic development	2,397,023	751,199	612,179	-	(1,033,645)		(1,033,645)	
Parks, recreation and public property	509,780	41,771	-	182,790	(285,219)		(285,219)	
Interest and fiscal charges on long-term debt	420,448	-	-	-	(420,448)		(420,448)	
Total governmental activities	21,304,663	3,080,939	2,506,175	1,714,908	(14,002,641)		(14,002,641)	
Business-type activities								
Storm drain	974,655	1,177,932	-	-		\$ 203,277	203,277	
Total Primary Government	\$ 22,279,318	\$ 4,258,871	\$ 2,506,175	\$ 1,714,908	(14,002,641)	203,277	(13,799,364)	
Component Unit:								
Taylorsville Dayzz, Inc.	\$ 172,838	\$ 38,358	\$ 117,400	\$ -				\$ (17,080)
Taylorsville Art Council	41,169	26,096	9,267	-				(5,806)
Total component units	\$ 214,007	\$ 64,454	\$ 126,667	\$ -				(22,886)
General Revenues:								
Taxes								
Property taxes					3,544,240	-	3,544,240	-
Sales taxes					7,938,176	-	7,938,176	-
Franchise taxes					3,858,401	-	3,858,401	-
Investment earnings					91,516	317	91,833	208
Other					381,240	-	381,240	-
Total general revenues					15,813,573	317	15,813,890	208
Change in net position					1,810,932	203,594	2,014,526	(22,678)
Net position - beginning, as restated					165,269,392	9,221,066	174,490,458	230,787
Net position - ending					\$ 167,080,324	\$ 9,424,660	\$ 176,504,984	\$ 208,109

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

CITY OF TAYLORSVILLE
Balance Sheet – Governmental Funds
June 30, 2015

	Governmental Fund Types				
	Capital		Special	Other	Total
	Projects	Revenue	Economic		
	General	Infrastructure	Development	Governmental Funds	Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 4,335,122	\$ 7,132,428	\$ -	\$ 2,022,419	\$ 13,489,969
Receivables:					
Taxes	4,989,465	-	144,855	-	5,134,320
Intergovernmental	619,067	-	25,000	-	644,067
Other	27,987	673,389	-	-	701,376
Due from other funds	43,240	-	-	-	43,240
Restricted assets:					
Cash and cash equivalents	131,810	177,286	1,677,385	-	1,986,481
Total assets	\$ 10,146,691	\$ 7,983,103	\$ 1,847,240	\$ 2,022,419	\$ 21,999,453
<u>LIABILITIES</u>					
Accounts payable	\$ 1,659,476	\$ 425,801	\$ 82,813	\$ 81,339	\$ 2,249,429
Accrued liabilities	257,740	-	-	-	257,740
Due to other funds	-	-	43,240	-	43,240
Total liabilities	1,917,216	425,801	126,053	81,339	2,550,409
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred property tax revenue	3,336,068	-	144,855	-	3,480,923
Deferred revenue from note receivable	-	596,339	-	-	596,339
Total deferred inflows of resources	3,336,068	596,339	144,855	-	4,077,262
<u>FUND BALANCES</u>					
Restricted for:					
Future construction	-	3,677,126	-	-	3,677,126
Class C roads	21,171	-	-	-	21,171
Parks	-	-	-	1,798,734	1,798,734
Assigned to:					
Infrastructure fund	-	3,283,837	-	-	3,283,837
Economic development fund	-	-	1,576,332	-	1,576,332
Buildings fund	-	-	-	142,346	142,346
Unassigned	4,872,236	-	-	-	4,872,236
Total fund balances	4,893,407	6,960,963	1,576,332	1,941,080	15,371,782
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,146,691	\$ 7,983,103	\$ 1,847,240	\$ 2,022,419	\$ 21,999,453

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 Position
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - total governmental funds (page 14)	\$ 15,371,782
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	158,028,597
Other long-term assets not available for current period expenditures and are therefore either deferred or not applicable to funds.	145,845
Interest payable is not due and payable in the current period and therefore is not recorded in the funds.	(4,014)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(6,230,739)
Net pension assets and liabilities are not due and payable in the current period and therefore are not reported in the funds.	(827,486)
Deferred inflows of resources associated with the City's note receivable is removed in the statement of net position.	<u>596,339</u>
Net position - governmental activities (page 12)	<u><u>\$ 167,080,324</u></u>

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

CITY OF TAYLORSVILLE

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

For the Year Ended June 30, 2015

	Governmental Fund Types				Total Governmental Funds
	Capital Projects	Special Revenue	Other Governmental		
	General	Infrastructure	Economic Development	Funds	
REVENUES					
Taxes	\$ 15,336,145	\$ -	\$ 4,672	\$ -	\$ 15,340,817
Impact fees	-	-	-	80,790	80,790
Licenses and permits	585,947	-	-	-	585,947
Intergovernmental	2,711,604	102,000	132,593	-	2,946,197
Charges for services	408,953	-	-	-	408,953
Fines and forfeitures	1,748,017	-	-	-	1,748,017
Miscellaneous	89,389	182,461	127,303	-	399,153
Interest income	88,200	-	3,316	-	91,516
Total revenues	20,968,255	284,461	267,884	80,790	21,601,390
EXPENDITURES					
General government	2,117,413	-	-	-	2,117,413
Public safety	10,788,973	-	-	-	10,788,973
Highways and public improvements	2,875,821	-	-	-	2,875,821
Community and economic development	1,676,960	-	932,126	-	2,609,086
Parks, recreation, and public property	221,146	-	-	226,546	447,692
Non-departmental	544,331	-	-	-	544,331
Debt service:					
Principal	234,900	-	5,759,742	-	5,994,642
Interest	169,394	-	263,345	-	432,739
Bond issuance costs	48,449	-	54,945	-	103,394
Capital outlay:					
General government	52,908	-	-	-	52,908
Highways and public improvements	-	1,701,521	-	-	1,701,521
Community and economic development	225,211	-	-	-	225,211
Parks, recreation, and public property	928	-	-	-	928
Total expenditures	18,956,434	1,701,521	7,010,158	226,546	27,894,659
Excess (deficiency) of revenues over (under) expenditures	2,011,821	(1,417,060)	(6,742,274)	(145,756)	(6,293,269)
OTHER FINANCING SOURCES (USES)					
Proceeds from debt	3,488,400	-	2,335,000	-	5,823,400
Payment to bond escrow agent	(3,439,951)	-	-	-	(3,439,951)
Transfers in	-	870,025	575,000	1,538,637	2,983,662
Transfers out	(2,983,662)	-	-	-	(2,983,662)
Sale of capital assets	1,391,000	623,796	-	-	2,014,796
Total other financing sources (uses)	(1,544,213)	1,493,821	2,910,000	1,538,637	4,398,245
Net change in fund balances	467,608	76,761	(3,832,274)	1,392,881	(1,895,024)
Fund balances, beginning of year	4,425,799	6,884,202	5,408,606	548,199	17,266,806
Fund balances, end of year	\$ 4,893,407	\$ 6,960,963	\$ 1,576,332	\$ 1,941,080	\$ 15,371,782

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 Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2015**

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 16) \$ (1,895,024)

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. (2,255,008)

Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the statement of net position. Governmental funds also do not report contributed capital assets as revenue. 4,271,094

Proceeds from sale of capital assets is recorded as income in the governmental funds. However, only the gain or loss on the sale of capital assets is recorded in the statement of activities. (2,161,232)

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 position. Also, governmental funds report the effect of 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. 3,763,692

Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities. 124,152

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. (18,829)

Revenues are recognized in the governmental funds when measureable and available; however, the statement of activities is presented on the accrual basis, so revenues are recognized when earned. This adjustment reflects the changes due to payments received on long-term notes receivable that have been deferred in the governmental funds. (17,913)

Change in net position of governmental activities (page 13) \$ 1,810,932

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, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Taxes	\$ 15,042,872	\$ 15,152,874	\$ 15,336,145	\$ 183,271
Licenses and permits	573,500	573,500	585,947	12,447
Intergovernmental	2,706,571	2,905,773	2,711,604	(194,169)
Charges for services	417,500	417,500	408,953	(8,547)
Fines and forfeitures	1,855,000	1,855,000	1,748,017	(106,983)
Miscellaneous	53,000	55,500	89,389	33,889
Interest income	65,000	65,000	88,200	23,200
Total revenues	<u>20,713,443</u>	<u>21,025,147</u>	<u>20,968,255</u>	<u>(56,892)</u>
<u>EXPENDITURES</u>				
General government				
City council	217,364	233,314	197,742	35,572
Mayor	125,459	136,959	129,243	7,716
Administrative services	1,387,177	1,468,677	1,405,305	63,372
Governmental buildings	505,951	507,451	430,300	77,151
Public safety				
Court operations	1,920,972	1,920,972	1,811,716	109,256
Animal control	448,000	448,000	424,526	23,474
Fire and VECC	428,000	428,000	357,077	70,923
Police	8,161,340	8,207,835	8,195,654	12,181
Highways and public improvements	2,862,968	2,862,968	2,875,821	(12,853)
Community and economic development				
Planning commission	13,550	13,550	7,969	5,581
Community activities	20,000	20,000	15,591	4,409
Citizens committees	111,100	114,100	99,978	14,122
CDBG programs	440,331	585,331	479,585	105,746
Community development	765,653	799,053	718,301	80,752
Economic development	239,206	259,706	219,299	40,407
Building and inspection	411,023	419,023	361,448	57,575
Parks, recreation, and public property	272,000	282,000	222,074	59,926
Non-departmental	630,254	677,461	552,062	125,399
Debt service:				
Principal	226,000	234,900	234,900	-
Interest	185,000	187,500	169,394	18,106
Bond issuance costs	-	100,000	48,449	51,551
Total expenditures	<u>19,371,348</u>	<u>19,906,800</u>	<u>18,956,434</u>	<u>950,366</u>
Excess of revenues over expenditures	<u>1,342,095</u>	<u>1,118,347</u>	<u>2,011,821</u>	<u>893,474</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from debt	-	-	3,488,400	3,488,400
Payment to bond escrow agent	-	-	(3,439,951)	(3,439,951)
Transfers out	(1,420,026)	(2,983,662)	(2,983,662)	-
Sale of capital assets	20,000	1,263,662	1,391,000	127,338
Total other financing sources (uses)	<u>(1,400,026)</u>	<u>(1,720,000)</u>	<u>(1,544,213)</u>	<u>175,787</u>
Net change in fund balance	<u>\$ (57,931)</u>	<u>\$ (601,653)</u>	<u>467,608</u>	<u>\$ 1,069,261</u>
Fund balance, beginning of year			<u>4,425,799</u>	
Fund balance, end of year			<u>\$ 4,893,407</u>	

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 – Economic Development Special Revenue Fund
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Property taxes	\$ 95,000	\$ 95,000	\$ 4,672	\$ (90,328)
Intergovernmental	-	-	132,593	132,593
Interest income	-	-	3,316	3,316
Miscellaneous	-	-	127,303	127,303
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>267,884</u>	<u>172,884</u>
<u>EXPENDITURES</u>				
Economic development projects	3,134,500	3,134,500	932,126	2,202,374
Debt service:				
Principal	-	-	5,759,742	(5,759,742)
Interest	468,000	5,128,000	263,345	4,864,655
Bond issuance costs	-	-	54,945	(54,945)
Total expenditures	<u>3,602,500</u>	<u>8,262,500</u>	<u>7,010,158</u>	<u>1,252,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,507,500)</u>	<u>(8,167,500)</u>	<u>(6,742,274)</u>	<u>1,425,226</u>
<u>OTHER FINANCING SOURCES</u>				
Proceeds from debt	2,982,500	2,982,500	2,335,000	(647,500)
Transfers in	575,000	575,000	575,000	-
Total other financing sources	<u>3,557,500</u>	<u>3,557,500</u>	<u>2,910,000</u>	<u>(647,500)</u>
Net change in fund balance	<u>\$ 50,000</u>	<u>\$ (4,610,000)</u>	<u>(3,832,274)</u>	<u>\$ 777,726</u>
Fund balance, beginning of year			<u>5,408,606</u>	
Fund balance, end of year			<u>\$1,576,332</u>	

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

CITY OF TAYLORSVILLE
Statement of Net Position – Proprietary Fund
June 30, 2015

	<u>Storm Drain</u>
<u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	\$ 3,091,279
Receivables:	
Accounts	<u>135,718</u>
Total current assets	<u>3,226,997</u>
Noncurrent assets:	
Cash and cash equivalents, restricted	<u>41,271</u>
Capital assets:	
Machinery and equipment	254,827
Infrastructure	11,589,515
Construction in progress	1,186,008
Accumulated depreciation	<u>(3,100,480)</u>
Net capital assets	<u>9,929,870</u>
Total noncurrent assets	<u>9,971,141</u>
Total assets	<u>13,198,138</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding	<u>124,240</u>
Total deferred outflows of resources	<u>124,240</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	484,761
Accrued interest payable	3,419
Long-term debt, current portion	<u>253,000</u>
Total current liabilities	<u>741,180</u>
Noncurrent liabilities:	
Revenue bonds payable, due after one year	<u>3,156,538</u>
Total noncurrent liabilities	<u>3,156,538</u>
Total liabilities	<u>3,897,718</u>
<u>NET POSITION</u>	
Net investment in capital assets	6,644,572
Unrestricted	<u>2,780,088</u>
Total net position	<u>\$ 9,424,660</u>

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

CITY OF TAYLORSVILLE
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund
For the Year Ended June 30, 2015

	<u>Storm Drain</u>
<u>OPERATING REVENUES</u>	
Sales and charges for services	\$ 1,177,932
Total operating revenues	<u>1,177,932</u>
<u>OPERATING EXPENSES</u>	
Administration and general	232,557
Repairs and maintenance	295,101
Depreciation	<u>289,334</u>
Total operating expenses	<u>816,992</u>
Operating income	<u>360,940</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest income	317
Interest expense	(116,392)
Bond issuance costs	<u>(41,271)</u>
Total nonoperating revenues (expenses)	<u>(157,346)</u>
Change in net position	203,594
Total net position, beginning	<u>9,221,066</u>
Total net position, ending	<u><u>\$ 9,424,660</u></u>

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, 2015

	Storm Drain
Cash flows from operating activities	
Receipts from customers and users	\$ 1,192,298
Payments to suppliers	(146,284)
Net cash provided by operating activities	<u>1,046,014</u>
Net cash provided by noncapital financing activities	<u>-</u>
Cash flows from capital and related financing activities	
Acquisition of property, plant, and equipment	(1,691,545)
Proceeds from issuance of debt	2,971,600
Principal paid on capital debt	(3,130,429)
Interest paid on capital debt	(139,871)
Net cash used by capital and related financing activities	<u>(1,990,245)</u>
Cash flows from investing activities	
Interest received	<u>317</u>
Net cash provided by investing activities	<u>317</u>
Net decrease in cash and cash equivalents	(943,914)
Cash and cash equivalents, beginning of year	<u>4,076,464</u>
Cash and cash equivalents, end of year	<u>\$ 3,132,550</u>
Unrestricted cash	\$ 3,091,279
Restricted cash	<u>41,271</u>
Total Cash	<u><u>\$ 3,132,550</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 360,940
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	289,334
Changes in assets and liabilities:	
Accounts receivable	14,366
Accounts payable	<u>381,374</u>
Net cash provided by operating activities	<u><u>\$ 1,046,014</u></u>

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

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). 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 and are discussed below.

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.

In 2012, Taylorsville Dayzz Inc. was created. This entity provides funding and operations of Taylorsville Dayzz, which is the City's birthday celebration.

Financial information for the component units may be obtained at the City's office, located at 2600 West Taylorsville Blvd., Taylorsville, Utah 84129.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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. 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 Position 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.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or a 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.

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. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Sales taxes, franchise taxes, and earned but unreimbursed 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:

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Infrastructure – Capital Projects Fund accounts for the acquisition and construction of the City's major infrastructure projects, other than those financed by proprietary funds.
- The Economic Development – Special Revenue Fund accounts for economic development activities and the expenditure of bond monies related to economic development

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:

- Special revenue funds: The City accounts for park impact fees in a special revenue fund.
- Capital project funds account for the acquisition of fixed assets of the City. The City accounts for building construction in a capital project fund.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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.

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 Fund 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 the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated categories of 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. Utah State law prohibits the accumulation of the stated fund balance categories in any amount greater than 25% of the current year's actual revenues.

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 or 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to or due from other funds”. Advances between funds as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Other receivables at June 30, 2015, consisted of property tax, sales tax, franchise tax, grants, and utility billings. The utility billings for charged services are billed to customers on a monthly basis. Unbilled service accounts receivable at June 30, 2015 were estimated based on July billings and are included in the operating revenues and accounts receivable at year end. Taxes, grants, and utility charges are deemed collectible in full, so no allowance for uncollectibles is recorded.

Restricted Assets

Certain assets are classified as restricted because their use is restricted by an independent third party, enabling legislation, or other laws and statutes. These restrictions may include future debt service payments, unexpended portions of bonds issued for capital construction, and other agreements with third parties.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities 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) and a useful life of more than one year. 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:

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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 320 hours at the end of the fiscal year and any paid leave time 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.

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is, therefore, deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price.

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is, therefore, deferred until that time. Governmental funds report unavailable revenue from property taxes and special assessments as deferred inflows of resources until such time they can be recognized as revenue in the period that they become available.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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 and discounts 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.

Fund Balance

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

Nonspendable Fund Balance – Prepaid expenditures and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as nonspendable fund balance.

Restricted Fund Balance – Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts formally designated by City Council through ordinance or resolution for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use through a superseding ordinance or resolution.

Assigned Fund Balance – Amounts constrained by City Council or City Management for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent fund are by their nature assigned to the purpose for which the resources are collected.

Unassigned Fund Balance – Amounts that may be used for any governmental purpose.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The City has not adopted a formal policy on minimum fund balance. However state statute requires the City to maintain a minimum fund balance in the general fund of at least 5% of total revenues.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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.

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.

New Pronouncements

The Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this statement has resulted in the recording of the net pension assets and liabilities and related deferred inflows and outflows of resources.

2. **DEPOSITS AND INVESTMENTS**

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 cost, which approximates 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.

As of June 30, 2015, the City's demand deposits and cash on hand amounted to \$1,849,725.

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.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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, our 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, 2015, the Utah Public Treasurer's Investment Fund was unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City has investments in the Utah State Treasurer's Investment Fund as of June 30, 2015 of \$13,709,372.

Custodial credit risk – deposits. This is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2015, \$3,269,951 of the City's \$3,947,237 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

3. RESTRICTED ASSETS

Certain assets are restricted to use as follows as of June 30, 2015:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Governmental activities		
Restricted for unspent bond proceeds	\$ 1,725,834	\$ 41,271
Restricted for funds held in trust for Justice Court	57,785	-
Restricted for employee cafeteria plan	4,405	-
Restricted for "C" road funds	21,171	-
Restricted for capital projects - infrastructure	177,286	-
Total restricted cash and cash equivalents	<u>\$ 1,986,481</u>	<u>\$ 41,271</u>

4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land and water rights	\$ 126,587,578	\$ 5,556,090	\$ (2,161,232)	\$ 129,982,436
Construction in progress	8,791,730	2,119,463	(8,757,357)	2,153,836
Total capital assets, not being depreciated	<u>135,379,308</u>	<u>7,675,553</u>	<u>(10,918,589)</u>	<u>132,136,272</u>
Capital assets, being depreciated:				
Buildings and improvements	13,423,213	3,688,570	-	17,111,783
Office furniture and equipment	1,363,290	21,658	-	1,384,948
Vehicles and equipment	479,785	5,154	-	484,939
Infrastructure	55,410,993	1,637,516	-	57,048,509
Total capital assets, being depreciated	<u>70,677,281</u>	<u>5,352,898</u>	<u>-</u>	<u>76,030,179</u>
Accumulated depreciation:				
Buildings and improvements	5,297,903	788,039	-	6,085,942
Office furniture and equipment	1,217,416	50,846	-	1,268,262
Vehicles and equipment	415,672	23,151	-	438,823
Infrastructure	40,951,855	1,392,972	-	42,344,827
Total accumulated depreciation	<u>47,882,846</u>	<u>2,255,008</u>	<u>-</u>	<u>50,137,854</u>
Total capital assets, net of accumulated depreciation	<u>22,794,435</u>	<u>3,097,890</u>	<u>-</u>	<u>25,892,325</u>
Governmental capital assets, net	<u>\$ 158,173,743</u>	<u>\$ 10,773,443</u>	<u>\$ (10,918,589)</u>	<u>\$ 158,028,597</u>

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

4. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ 354,626	\$ 1,691,545	\$ (860,163)	\$ 1,186,008
 Total capital assets, not being depreciated	 354,626	 1,691,545	 (860,163)	 1,186,008
 Capital assets, being depreciated:				
Infrastructure	10,729,352	860,163	-	11,589,515
Equipment	254,827	-	-	254,827
 Total capital assets, depreciated	 10,984,179	 860,163	 -	 11,844,342
 Accumulated depreciation:				
Infrastructure	2,586,094	268,006	-	2,854,100
Equipment	225,052	21,328	-	246,380
 Total accumulated depreciation	 2,811,146	 289,334	 -	 3,100,480
 Total capital assets, net of accumulated depreciation	 8,173,033	 570,829	 -	 8,743,862
 Business-type capital assets, net	 <u>\$ 8,527,659</u>	 <u>\$ 2,262,374</u>	 <u>\$ (860,163)</u>	 <u>\$ 9,929,870</u>

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

Governmental activities:	
General government	\$ 319,762
Public safety	125,814
Highways and public improvements	1,425,674
Community and economic development	97,388
Parks and public property	<u>286,370</u>
 Total depreciation expense - governmental activities	 <u>\$ 2,255,008</u>
 Business-type activities:	
Storm drain	<u>\$ 289,334</u>

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

4. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Discretely presented component unit activity for the year ended June 30, 2015 is as follows:

<u>Component Unit</u>	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>
Capital assets, being depreciated:				
Equipment	\$ 22,934	\$ 1,123	\$ -	\$ 24,057
Total capital assets, depreciated	<u>22,934</u>	<u>1,123</u>	<u>-</u>	<u>24,057</u>
Accumulated depreciation:				
Equipment	21,092	442	-	21,534
Total accumulated depreciation	<u>21,092</u>	<u>442</u>	<u>-</u>	<u>21,534</u>
Total component unit capital assets, net	<u>\$ 1,842</u>	<u>\$ 681</u>	<u>\$ -</u>	<u>\$ 2,523</u>

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 \$3,314,773.

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 January 1 and then are due and payable at November 30. Since the property tax levied on January 1, 2015 was not expected to be received within 60 days after year ended June 30, 2015, the City was required to record a receivable and deferred revenue of the estimated amount of the total property tax levied on January 1, 2015.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term debt activity of the City for the year ended June 30, 2015, was as follow:

	<u>07/01/14</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/15</u>	<u>Due Within One Year</u>
<u>Governmental activities</u>					
Bonds payable:					
Revenue bonds	9,443,842	\$ 5,823,400	\$ (9,256,242)	\$ 6,011,000	\$ 482,000
Plus: unamortized premiums	42,257	-	(35,756)	6,501	-
Total bonds payable	9,486,099	5,823,400	(9,291,998)	6,017,501	482,000
Compensated absences	231,223	227,555	(245,540)	213,238	23,691
Governmental activities, long-term liabilities	<u>\$ 9,717,322</u>	<u>\$ 6,050,955</u>	<u>\$ (9,537,538)</u>	<u>\$ 6,230,739</u>	<u>\$ 505,691</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	\$ 3,410,900	\$ 2,971,600	\$ (2,978,500)	\$ 3,404,000	\$ 253,000
Plus: unamortized premiums	35,996	-	(30,458)	5,538	-
Total bonds payable	3,446,896	2,971,600	(3,008,958)	3,409,538	253,000
Business-type activities, long-term liabilities	<u>\$ 3,446,896</u>	<u>\$ 2,971,600</u>	<u>\$ (3,008,958)</u>	<u>\$ 3,409,538</u>	<u>\$ 253,000</u>

Revenue Bonds

Sales Tax Revenue Refunding Bonds, Series 2015, original issue of \$6,460,000, principal due in annual installments beginning November 2015, interest at 2.43% due in semi-annual installments beginning November 2015, with the final payment due November 2026. The bonds were issued to finance the partial refunding of the Series 2006 Sales Tax Revenue Bonds and paying the costs of issuance of the Series 2015 Bonds. Debt service payments will be made from the General Fund and Storm Drain Fund.

\$ 6,460,000

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

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 2016 due to the Series 2015 refunding. 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 and Storm Drain Fund. \$ 940,000

Tax Increment and Sales Tax Revenue Refunding Bonds, Series 2015, original issue of \$2,015,000, principal payments due in annual installments starting in November 2015, interest at 2.59% and due in semi-annual payments with the final payment due November 2024. These bonds were issued to finance the refunding of the Series 2011B and 2011C Sales Tax Revenue Bonds, paying the costs of issuance, and additional costs related to economic development in the West Point RDA. Debt service payments will be made from tax increment from the RDA and backed by the General Fund sales tax revenues. 2,015,000

Total Tax Revenue Bonds \$ 9,415,000

Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest for the revenue bonds, as of June 30, 2015, are as follows:

Year Ending June 30,	Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2016	\$ 735,000	\$ 207,402	\$ 942,402
2017	725,000	209,867	934,867
2018	750,000	186,686	936,686
2019	770,000	167,914	937,914
2020	795,000	148,583	943,583
2021-2025	4,260,000	462,364	4,722,364
2026-2027	1,380,000	33,777	1,413,777
	<u>9,415,000</u>	<u>\$ 1,416,593</u>	<u>\$ 10,831,593</u>
Plus: unamortized premium	12,039		
Total Revenue Bonds Payable	<u><u>\$ 9,427,039</u></u>		

6. LONG-TERM DEBT (CONTINUED)

Bond Refunding

In June 2015, the City issued \$6,460,000 in Sales Tax Revenue Refunding Bonds, Series 2015. The proceeds were used to advance refund \$6,040,000 of outstanding Series 2006 Sales Tax Revenue Bonds plus \$60,195 of bond premium. The net proceeds of \$6,370,280 (including \$89,720 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2006 Sales Tax Revenue Bonds are considered partially defeased and the liability for those bonds has been removed from the Statement of Net Position, except for the portion for which the City is still obligated. The reacquisition price exceeded the net carrying amount of the old debt by \$270,085. This amount is being amortized over the remaining life of the refunding debt. The City advance refunded the Series 2006 Sales Tax Revenue Bonds to reduce its total debt service payments by \$337,075 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$285,852.

In June 2015, the City issued \$2,015,000 in Tax Increment and Sales Tax Revenue Refunding Bonds, Series 2015. The proceeds were used to refund \$1,054,742 of outstanding Series 2011B and 2011C Sales Tax Revenue Bonds. The net proceeds of \$900,000 (including \$54,945 in underwriting fees and other issuance costs and \$5,313 in interest) were deposited in a construction account to provide funds for redevelopment projects. As a result, the Series 2011B and 2011C Sales Tax Revenue Bonds have been fully refunded and the liability for those bonds has been removed from the Statement of Net Position. The City refunded the Series 2011B and 2011C Sales Tax Revenue Bonds to consolidate its total debt service payments by (\$311) and obtained an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$21.

7. RETIREMENT SYSTEMS AND PENSIONS PLANS

General Information about the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple-employer, cost-sharing, public employees retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost-sharing, public employees retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 Retirement System.

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years present	Up to 2.5% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
111- Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43- Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122- Other Division A Noncontributory Tier 2	N/A	N/A	22.550%

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported a net pension asset of \$1,956 and a net pension liability of \$902,714.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.2011554%	\$ -	\$ 873,464
Public Safety System	0.0232587%	-	29,250
Tier 2 Public Employees System	0.0645429%	1,956	-
Total Net Pension Asset / Liability		<u>\$ 1,956</u>	<u>\$ 902,714</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

For the year ended June 30, 2015, the City recognized pension expense of \$230,473. At June 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 31,472
Changes in assumptions	-	89,685
Net difference between projected and actual earnings on pension plan investments	20,623	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	173,806	-
Total	<u>\$ 194,429</u>	<u>\$ 121,157</u>

The \$173,806 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (25,157)
2016	(25,157)
2017	(25,157)
2018	(22,924)
2019	(342)
Thereafter	(1,796)

Actuarial Assumptions

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the following table:

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2009 - December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.75%
		Expected arithmetic nominal return	7.98%

7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent and a real return of 4.75 percent that is net of investment expense.

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
	<u> </u>	<u> </u>	<u> </u>
Proportionate share of			
Net pension (asset) / liability	\$ 2,184,367	\$ 900,758	\$ (166,565)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Defined Contribution Pension Plans

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 Plan, available to all City employees, permits them to defer a portion of their salary until future years. The payment of deferred compensation is not available to employees until termination, retirement, death or emergency. The City does not contribute to this 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 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 these plans were as follows:

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan*	\$ 65,042	\$ 35,467
457 Plan	32,176	-
Roth IRA Plan	2,600	-
Traditional IRA Plan	2,600	-

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

8. 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, in which the City has 18.3% interest. The shelter was financed with bonds, which the City is obligated and liable to pay its 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.

9. CONTINGENT LIABILITIES

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 on operations.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2015

10. 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, 2015, there were no outstanding unpaid claims for the City. Also, the City had no claim settlements during the three years ending June 30, 2015 which exceeded its insurance coverage. The City also has fidelity bond coverage with a private carrier.

11. TRANSFERS RECONCILIATION

Transfers among the funds for the year ended June 30, 2015 are described below: Transfers are made to meet the ongoing needs of the City to complete various projects.

	<u>In</u>	<u>Out</u>
General Fund	\$ -	\$ 2,983,662
Infrastructure - Capital Projects Fund	870,025	-
Parks Impact - Special Revenue Fund	1,538,637	-
Economic Development Fund	575,000	-
	<u>\$ 2,983,662</u>	<u>\$ 2,983,662</u>

12. PRIOR PERIOD ADJUSTMENT RELATED TO PENSIONS

The Governmental Accounting Standards Board issued Statement No. 68, "Accounting and Financial Reporting for Pensions" resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement of net position as of June 30, 2014 as follows:

	<u>Governmental Activities</u>
Net position, as previously reported	\$ 166,221,030
Net pension asset	-
Deferred outflows of resources related to pensions	172,372
Net pension liability	<u>(1,124,010)</u>
Net position, as restated	<u>\$ 165,269,392</u>

Required Supplemental Information

CITY OF TAYLORSVILLE

**Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years***

	Noncontributory System	Public Safety System	Tier 2 Public Employees System
	2015		
Proportion of the net pension liability (asset)	0.2011554%	0.0232587%	0.0645429%
Proportionate share of the net pension liability (asset)	\$ 873,464	\$ 29,250	\$ (1,956)
Covered employee payroll	\$ 1,773,707	\$ 34,810	\$ 316,857
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	49.2%	84.0%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

CITY OF TAYLORSVILLE
Schedule of Contributions
Last 10 Fiscal Years*

	Noncontributory System	Public Safety System	Tier 2 Public Employees System
	2015		
Contractually required contribution	\$ 316,160	\$ 11,456	\$ 26,629
Contributions in relation to the contractually required contribution	(316,160)	(11,456)	(26,629)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	1,773,707	34,810	316,857
Contributions as a percentage of covered-employee payroll**	17.82%	32.91%	8.40%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB

** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other

1. **ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS**

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

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Supplemental Information

CITY OF TAYLORSVILLE
Combining Balance Sheet – Non-major Governmental Funds
June 30, 2015

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
ASSETS			
Cash and cash equivalents	\$ 1,880,073	\$ 142,346	\$ 2,022,419
Total assets	\$ 1,880,073	\$ 142,346	\$ 2,022,419
LIABILITIES			
Accounts payable	\$ 81,339	\$ -	\$ 81,339
Total liabilities	81,339	-	81,339
FUND BALANCES			
Restricted for parks	1,798,734	-	1,798,734
Assigned	-	142,346	142,346
Total fund balances	1,798,734	142,346	1,941,080
Total liabilities and fund balances	\$ 1,880,073	\$ 142,346	\$ 2,022,419

CITY OF TAYLORSVILLE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Non-major Governmental Funds
For the Year Ended June 30, 2015

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
REVENUES			
Impact fees	\$ 80,790	\$ -	\$ 80,790
Total revenues	<u>80,790</u>	<u>-</u>	<u>80,790</u>
EXPENDITURES			
Parks, recreation, and public property	<u>226,546</u>		<u>226,546</u>
Total expenditures	<u>226,546</u>	<u>-</u>	<u>226,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(145,756)</u>	<u>-</u>	<u>(145,756)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>1,538,637</u>	<u>-</u>	<u>1,538,637</u>
Total other financing sources	<u>1,538,637</u>	<u>-</u>	<u>1,538,637</u>
Net change in fund balances	1,392,881	-	1,392,881
Fund balances, beginning of year	<u>405,853</u>	<u>142,346</u>	<u>548,199</u>
Fund balances, end of year	<u>\$ 1,798,734</u>	<u>\$ 142,346</u>	<u>\$ 1,941,080</u>

CITY OF TAYLORSVILLE
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Parks Impact Special Revenue Fund – Budget to Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact fees	\$ 20,000	\$ 45,000	\$ 80,790	\$ 35,790
Total revenues	20,000	45,000	80,790	35,790
<u>EXPENDITURES</u>				
Park projects	275,000	1,553,637	226,546	1,327,091
Total expenditures	275,000	1,553,637	226,546	1,327,091
Excess (deficiency) of revenues over (under) expenditures	(255,000)	(1,508,637)	(145,756)	1,362,881
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out)	275,000	1,538,637	1,538,637	-
Total other financing sources (uses)	275,000	1,538,637	1,538,637	-
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ 30,000</u>	1,392,881	<u>\$ 1,362,881</u>
Fund balance, beginning of year			<u>405,853</u>	
Fund balance, end of year			<u>\$ 1,798,734</u>	

CITY OF TAYLORSVILLE
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Infrastructure Capital Projects Fund – Budget to Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 25,000	\$ 102,000	\$ 77,000
Miscellaneous	40,000	40,000	182,461	142,461
Total revenues	40,000	65,000	284,461	219,461
<u>EXPENDITURES</u>				
Capital outlay	5,751,000	5,861,000	1,701,521	4,159,479
Total expenditures	5,751,000	5,861,000	1,701,521	4,159,479
Excess (deficiency) of revenues over (under) expenditures	(5,711,000)	(5,796,000)	(1,417,060)	4,378,940
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	570,025	870,025	870,025	-
Sale of capital assets	-	-	623,796	623,796
Total other financing sources (uses)	570,025	870,025	1,493,821	623,796
Net change in fund balance	<u>\$ (5,140,975)</u>	<u>\$ (4,925,975)</u>	76,761	<u>\$ 5,002,736</u>
Fund balance, beginning of year			<u>6,884,202</u>	
Fund balance, end of year			<u>\$ 6,960,963</u>	

CITY OF TAYLORSVILLE
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Buildings Capital Projects Fund – Budget to Actual
For the Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning of year			<u>142,346</u>	
Fund balance, end of year			<u>\$ 142,346</u>	

CITY OF TAYLORSVILLE
Combining Statement of Net Position – Component Units
June 30, 2015

	Taylorsville Dayzz, Inc.	Taylorsville Arts Council	Total Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 234,870	\$ 56,406	\$ 291,276
Accounts receivable	16,306	1,597	17,903
Total current assets	251,176	58,003	309,179
Noncurrent assets:			
Machinery and equipment	3,123	20,934	24,057
Accumulated depreciation	(600)	(20,934)	(21,534)
Total noncurrent assets	2,523	-	2,523
Total assets	253,699	58,003	311,702
LIABILITIES			
Current liabilities:			
Accounts payable	85,751	17,842	103,593
Total current liabilities	85,751	17,842	103,593
Noncurrent liabilities:			
	-	-	-
Total liabilities	85,751	17,842	103,593
NET POSITION			
Net investment in capital assets	2,523	-	2,523
Unrestricted	165,425	40,161	205,586
Total net position	\$ 167,948	\$ 40,161	\$ 208,109

CITY OF TAYLORSVILLE**Combining Statement of Revenues, Expenses, and Changes in Net Position –****Component Units****For the Year Ended June 30, 2015**

	Taylorsville Dayzz, Inc.	Taylorsville Arts Council	Total Component Units
OPERATING REVENUES			
Sales and charges for services	\$ 38,358	\$ 26,096	\$ 64,454
Grants and contributions	117,400	9,267	126,667
Total operating revenues	155,758	35,363	191,121
OPERATING EXPENSES			
Community events	172,438	41,127	213,565
Depreciation	400	42	442
Total operating expenses	172,838	41,169	214,007
Operating income	(17,080)	(5,806)	(22,886)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	193	15	208
Total nonoperating revenues	193	15	208
Change in net position	(16,887)	(5,791)	(22,678)
Total net position, beginning	184,835	45,952	230,787
Total net position, ending	\$ 167,948	\$ 40,161	\$ 208,109

Statistical Section

CITY OF TAYLORSVILLE
Net Position by Component
Last Ten Fiscal Years
Accrual Basis of Accounting
Amounts Expressed In Thousands

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities										
Invested in capital assets, net of related debt	\$ 152,911	\$ 149,200	\$ 150,816	\$ 151,613	\$ 152,071	\$ 152,275	\$ 150,727	\$ 151,204	\$ 149,286	\$ 159,299
Restricted	5,497	4,178	1,928	711	1,396	3,518	2,171	2,823	11,047	857
Unrestricted	<u>8,672</u>	<u>12,843</u>	<u>4,193</u>	<u>4,922</u>	<u>4,657</u>	<u>2,993</u>	<u>3,089</u>	<u>3,264</u>	<u>2,938</u>	<u>1,728</u>
Total governmental activities net position	<u>167,080</u>	<u>166,221</u>	<u>156,937</u>	<u>157,246</u>	<u>158,124</u>	<u>158,786</u>	<u>155,987</u>	<u>157,291</u>	<u>163,271</u>	<u>161,884</u>
Business type activities										
Invested in capital assets, net of related debt	6,645	5,081	4,908	4,662	4,952	3,434	766	(24)	-	-
Restricted	-	-	-	-	394.00	730	3,483	4,392	-	-
Unrestricted	<u>2,780</u>	<u>4,140</u>	<u>3,974</u>	<u>4,000</u>	<u>3,107</u>	<u>3,945</u>	<u>3,486</u>	<u>2,972</u>	<u>-</u>	<u>-</u>
Total business type activities	<u>9,425</u>	<u>9,221</u>	<u>8,882</u>	<u>8,662</u>	<u>8,453</u>	<u>8,109</u>	<u>7,735</u>	<u>7,340</u>	<u>-</u>	<u>-</u>
Primary Government										
Invested in capital assets, net of related debt	159,556	154,281	155,724	156,275	157,023	155,710	151,493	151,180	149,286	159,299
Restricted	5,497	4,178	1,928	711	1,790	4,248	5,654	7,215	11,047	857
Unrestricted	<u>11,452</u>	<u>16,983</u>	<u>8,167</u>	<u>8,922</u>	<u>7,764</u>	<u>6,938</u>	<u>6,575</u>	<u>6,236</u>	<u>2,938</u>	<u>1,728</u>
Total Primary Government	<u>176,505</u>	<u>175,442</u>	<u>165,819</u>	<u>165,908</u>	<u>166,577</u>	<u>166,896</u>	<u>163,722</u>	<u>164,631</u>	<u>163,271</u>	<u>161,884</u>

CITY OF TAYLORSVILLE
Changes In Net Position
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses										
Governmental activities										
General government	\$ 3,063	\$ 3,164	\$ 3,044	\$ 2,730	\$ 2,662	\$ 2,755	\$ 2,813	\$ 2,500	\$ 1,899	\$ 1,414
Public safety	10,864	13,102	14,714	14,561	13,847	13,519	13,066	12,918	11,410	12,124
Highways and streets	4,051	4,120	3,984	4,544	3,843	4,563	4,755	5,083	5,470	3,075
Community development	2,397	2,290	1,965	1,771	2,031	1,726	1,867	1,616	1,586	1,497
Parks and recreation	510	470	443	374	315	-	466	102	245	64
Other	-	-	-	-	-	311	0	-	-	276
Interest on debt service	420	357	254	210	203	216	222	218	313	16
Total governmental expenses	<u>21,305</u>	<u>23,503</u>	<u>24,403</u>	<u>24,191</u>	<u>22,901</u>	<u>23,090</u>	<u>23,189</u>	<u>22,437</u>	<u>20,923</u>	<u>18,466</u>
Business type expenses										
Storm drain expenses	975	834	938	1,008	826	844	935	403	-	-
Total business expenses	<u>975</u>	<u>834</u>	<u>938</u>	<u>1,008</u>	<u>826</u>	<u>844</u>	<u>935</u>	<u>403</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 22,279</u>	<u>\$ 24,337</u>	<u>\$ 25,341</u>	<u>\$ 25,199</u>	<u>\$ 23,727</u>	<u>\$ 23,934</u>	<u>\$ 24,124</u>	<u>\$ 22,840</u>	<u>\$ 20,923</u>	<u>\$ 18,466</u>
Program Revenues										
Governmental activities										
Charges for service										
General government	\$ 128	\$ 35	\$ 78	\$ 129	\$ 79	\$ 104	\$ 68	\$ 2	\$ 9	\$ 262
Public safety	2,160	2,119	2,161	2,684	2,567	2,437	1,565	1,517	2,033	-
Community development	751	839	662	715	759	664	880	734	978	236
Parks, recreation and public prop.	42	44	49	41	90	109	-	-	-	-
Operating grants and contributions	2,506	2,065	2,171	2,255	2,568	2,328	1,899	2,178	2,695	2,584
Capital grants and contributions	1,715	8,770	1,864	957	904	5,296	1,500	1,200	1,042	13
Total governmental program revenues	<u>7,302</u>	<u>13,872</u>	<u>6,985</u>	<u>6,781</u>	<u>6,967</u>	<u>10,938</u>	<u>5,912</u>	<u>5,631</u>	<u>6,757</u>	<u>3,095</u>
Business type revenue										
Storm drain revenue	1,178	1,171	1,155	1,212	1,161	1,201	1,257	1,146	-	-
Total business revenue	<u>1,178</u>	<u>1,171</u>	<u>1,155</u>	<u>1,212</u>	<u>1,161</u>	<u>1,201</u>	<u>1,257</u>	<u>1,146</u>	<u>-</u>	<u>-</u>
Total primary government program revenues	<u>8,480</u>	<u>15,043</u>	<u>8,140</u>	<u>7,993</u>	<u>8,128</u>	<u>12,139</u>	<u>7,169</u>	<u>6,777</u>	<u>6,757</u>	<u>3,095</u>
Net (expenses)/ Revenue										
Total primary government net expense	<u>\$ (13,799)</u>	<u>\$ (9,294)</u>	<u>\$ (17,201)</u>	<u>\$ (17,207)</u>	<u>\$ (15,599)</u>	<u>\$ (11,795)</u>	<u>\$ (16,955)</u>	<u>\$ (16,063)</u>	<u>\$ (14,166)</u>	<u>\$ (15,371)</u>

CITY OF TAYLORSVILLE
Changes In Net Position
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2014</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes	\$ 3,544	\$ 6,831	\$ 5,584	\$ 4,728	\$ 4,693	\$ 4,717	\$ 4,755	\$ 4,777	\$ 4,863	\$ 4,084
Sales taxes	7,938	7,663	7,450	7,277	6,778	6,717	7,377	8,440	8,353	-
Franchise taxes	3,858	4,004	3,951	3,648	3,588	3,391	3,588	3,633	1,646	-
Other taxes	-	-	-	0	-	-	-	-	-	7,466
Unrestricted investment earnings	92	98	71	79	63	81	189	366	452	148
Gain (loss) on sale of capital assets	-	-	2	483	18	21	4	(63)	(5)	33
Other revenues	381	323	54	0	139	41	59	35	244	2,415
Special item	-	-	-	322	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	(6,360)	-	-
Total primary government	<u>15,814</u>	<u>18,919</u>	<u>17,113</u>	<u>16,537</u>	<u>15,279</u>	<u>14,968</u>	<u>15,972</u>	<u>10,828</u>	<u>15,553</u>	<u>14,146</u>
Changes in Net Position										
Governmental activities	1,811	9,284	(308)	(879)	(663)	2,800	(1,304)	(5,980)	1,387	(1,556)
Business activities	204	339	220	209	344	374	396	7,340	-	-
Net position beginning, as restated	<u>174,490</u>	<u>165,819</u>	<u>165,907</u>	<u>166,577</u>	<u>166,896</u>	<u>163,722</u>	<u>164,631</u>	<u>163,271</u>	<u>161,884</u>	<u>163,440</u>
Net position ending	<u>\$176,505</u>	<u>\$175,442</u>	<u>\$ 165,819</u>	<u>\$165,907</u>	<u>\$ 166,577</u>	<u>\$166,896</u>	<u>\$ 163,723</u>	<u>\$ 164,631</u>	<u>\$ 163,271</u>	<u>\$ 161,884</u>

CITY OF TAYLORSVILLE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Amount Expressed In Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund					
Restricted for:					
Class C roads	\$ 21	\$ 172	\$ 94	\$ 493	\$ 410
Unassigned	<u>\$ 4,872</u>	<u>\$ 4,254</u>	<u>\$ 3,599</u>	<u>\$ 4,006</u>	<u>\$ 3,945</u>
Total general fund	<u>\$ 4,893</u>	<u>\$ 4,426</u>	<u>\$ 3,693</u>	<u>\$ 4,498</u>	<u>\$ 4,355</u>
All other governmental funds					
Restricted for:					
Future construction	3,677	3,600	1,563	4	879
Parks	1,799	406	271	214	107
Assigned to:					
Infrastructure fund	3,284	3,284	578	625	974
Economic development	1,576	5,409	625	438	585
Buildings fund	142	142	139	16	13
Unassigned	-	-	-	-	(10)
Total all other governmental funds	<u>\$ 10,478</u>	<u>\$ 12,841</u>	<u>\$ 3,176</u>	<u>\$ 1,297</u>	<u>\$ 2,548</u>

Note: Implementation of GASB 54 changed fund balance category presentation.
The years from 2006 through 2010 are displayed below under the former GAAP categories.
The presentations are not comparable and are therefore displayed separately.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General fund					
Reserved	\$ -	\$ -	\$ 1,723	10,253	-
Unreserved	<u>3,742</u>	<u>3,731</u>	<u>1,641</u>	<u>1,116</u>	<u>1,323</u>
Total general fund	<u>\$ 3,742</u>	<u>\$ 3,731</u>	<u>\$ 3,364</u>	<u>\$ 11,369</u>	<u>\$ 1,323</u>
All other governmental funds					
Reserved	\$ 3,518	\$ 2,172	\$ 2,823	791	857
Unreserved, reported in:					
Special revenue	-	47	571	2,341	174
Capital projects	87	-	-	11	231
Permanent	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 3,613</u>	<u>\$ 2,219</u>	<u>\$ 3,394</u>	<u>\$ 3,143</u>	<u>\$ 1,262</u>

CITY OF TAYLORSVILLE
 Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years-Expressed in Thousands

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues										
Taxes	\$ 15,341	\$18,498	\$16,986	\$15,652	\$15,058	\$14,825	\$15,721	\$16,850	\$14,862	\$11,550
Licenses and Permits	586	643	537	571	589	513	650	581	649	649
Intergovernmental	2,946	11,015	4,313	2,844	3,818	7,830	3,336	3,246	2,958	2,598
Charges for Services	409	341	334	426	447	431	376	267	396	262
Fines and Forfeitures	1,748	1,733	1,746	2,260	2,087	1,980	1,527	1,476	2,005	1,588
Interest Income	92	96	69	74	55	64	189	394	474	148
Impact Fees	81	138	62	47	26	99	23	60	215	236
Miscellaneous Revenue	399	328	46	483	139	41	59	34	244	171
Rental Income	-	-	-	-	-	-	-	-	6	6
Total Revenues	<u>21,601</u>	<u>32,793</u>	<u>24,093</u>	<u>22,357</u>	<u>22,219</u>	<u>25,783</u>	<u>21,881</u>	<u>22,908</u>	<u>21,809</u>	<u>17,208</u>
Expenditures										
General Government	2,117	1,912	1,990	2,277	2,008	2,035	2,043	2,006	1,467	1,631
Public Safety	10,789	13,013	14,623	14,004	13,495	13,017	12,528	11,835	10,737	9,764
Highways and Public Improvements	2,876	2,710	2,479	2,485	1,802	2,102	2,388	2,518	2,665	2,476
Community and Economic Developmen	2,609	2,373	1,923	3,338	1,776	1,667	1,845	1,547	1,565	1,206
Parks, Recreation, and Public Property	448	249	311	183	150	149	77	47	71	51
Non-Departmental	544	648	655	522	508	443	507	294	254	222
Capital outlay	1,981	5,239	1,041	1,018	2,534	4,525	2,792	4,808	2,524	5,186
Debt service:										
Principal	5,995	269	219	218	201	316	357	515	342	-
Interest	433	224	224	212	205	217	228	248	229	-
Bond Issuance costs	103	59	32	82						
Total Expenditures	<u>27,895</u>	<u>26,696</u>	<u>23,497</u>	<u>24,339</u>	<u>22,679</u>	<u>24,471</u>	<u>22,765</u>	<u>23,818</u>	<u>19,854</u>	<u>20,536</u>
Excess of Revenues over (under) Expenditures	(6,293)	6,097	596	(1,982)	(460)	1,312	(884)	(910)	1,955	(3,328)
Other financing sources (uses)										
Transfers in	2984	2285	865	803	650	400	474		3,050	1,870
Transfer out	(2,984)	(2,285)	(865)	(803)	(650)	(400)	(474)	(6,933)	(3,050)	(1,870)
Proceeds on the Sale of Assets	2015	30	2	130	18	92	5	88	27	33
Proceeds of Issuance of Debt	2383	4272	474	735	-	-	71	-	9,944	-
Total other financing sources (uses)	<u>4398</u>	<u>4302</u>	<u>476</u>	<u>865</u>	<u>18</u>	<u>92</u>	<u>76</u>	<u>(6,845)</u>	<u>9,971</u>	<u>33</u>
Net changes in fund balances	<u>(1,895)</u>	<u>10,399</u>	<u>1,072</u>	<u>(1,117)</u>	<u>(442)</u>	<u>1,405</u>	<u>(\$808)</u>	<u>(\$7,755)</u>	<u>\$11,926</u>	<u>(3,295)</u>
Debt service as a percentage of noncapital expenditures	24.8%	2.3%	2.0%	1.8%	2.0%	2.7%	2.9%	4.0%	3.3%	0.0%

CITY OF TAYLORSVILLE
 Assessed and Estimated Actual Value Taxable Property
 Last Ten Years
 (Amounts Expressed In Thousands)

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assed Value to Total Est. Actual Value
	Assessed Valuation	Estimated Actual Valuation	Assessed Valuation	Estimated Actual Valuation	Assessed Valuation	Estimated Actual Valuation	
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%
2010	\$2,298,769	\$3,678,030	\$154,938	\$154,938	\$2,453,707	\$3,832,968	64.02%
2011	\$2,229,882	\$3,567,811	\$165,123	\$165,123	\$2,395,005	\$3,732,934	64.16%
2012	\$2,108,998	\$3,268,947	\$128,684	\$128,684	\$2,237,682	\$3,397,631	65.86%
2013	\$2,218,299	\$3,438,363	\$129,459	\$129,459	\$2,347,758	\$3,567,822	65.80%
2014	\$2,105,918	\$3,264,173	\$128,684	\$128,684	\$2,234,602	\$3,392,857	65.86%
2015	\$2,352,029	\$3,645,645	\$128,381	\$128,381	\$2,480,410	\$3,774,026	65.72%

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

CITY OF TAYLORSVILLE
Property Tax Rates – All Direct And Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years

Fiscal Year	Taylorsville City	Salt Lake County	So. Salt Lake County	Jordan Valley Water	Central Utah	Other District Range(1)		Total Tax Rate Range (2)	
			Mosquito Abatement	Conservancy District	Conservancy District	Low	High	Low	High
2006	1.801	3.378	0.030	0.400	0.357	8.383	10.593	12.548	16.559
2007	1.858	2.988	0.027	0.352	0.302	7.544	10.554	11.213	16.081
2008	1.554	2.301	0.023	0.400	0.286	5.767	8.038	8.777	12.602
2009	1.514	1.934	0.022	0.384	0.400	6.054	6.679	8.794	10.933
2010	1.690	2.278	0.025	0.400	0.421	6.047	7.955	9.171	12.769
2011	1.739	2.593	0.050	0.410	0.436	6.831	8.305	10.320	13.533
2012	1.794	2.517	0.052	0.424	0.436	6.796	8.761	10.225	13.984
2013	2.202	2.793	0.021	0.443	0.455	7.166	8.676	10.878	14.590
2014	2.722	3.180	0.021	0.424	0.446	6.994	9.094	11.065	15.887
2015	1.294	3.036	0.020	0.399	0.422	6.700	8.837	10.577	14.008

Source: Tax Rate/Mill Levy 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 (0.006831), taylorsville Bennion Imp. Dist.(0.000164), Graniger-Hunter Imp. Dist.(0.000692), Kearns Imp. Dist.(0.000782), and Jordan School District(0.007651). 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
(Per \$1,000 of Assessed Value)

Taxpayer	2015			Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value		Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Inland American Taylorsville	\$ 47,698	1	1.89%	Inland American Taylorsville	\$ 45,796	1	1.98%
Arden Realty Limited	\$ 35,709	2	1.42%	Hermes Associates, LTD	\$ 43,111	2	1.87%
TPP 217 Taylorsville, LLC	\$ 33,132	3	1.31%	Arden Realty Limited	\$ 38,077	3	1.65%
SLC Riverboat, LLC	\$ 28,775	4	1.14%	SLC Riverboat, LLC	\$ 28,775	4	1.25%
Hermes Associates, LTD	\$ 28,679	5	1.14%	PCCP JSP Fairway LLC	\$ 22,425	5	0.97%
PCCP JSP Fairway LLC	\$ 25,799	6	1.02%	Summerwood Associates	\$ 21,214	6	0.92%
Summerwood Associates	\$ 24,051	7	0.95%	Wal-Mart Real Estate	\$ 18,368	7	0.80%
Walmart Real Estate	\$ 18,368	8	0.73%	BC-GFS Settler's Point	\$ 16,736	8	0.72%
BC-GFS Settler's Point	\$ 18,152	9	0.72%	Hermes Associates, LTD	\$ 15,514	9	0.67%
ICU Medical Inc	\$ 14,674	10	0.58%	The Mark Twain Limited	\$ 14,935	10	0.65%
The Mark Twain Limited	\$ 14,534	11	0.58%	Mikami Brothers	\$ 13,555	11	0.59%
Mikami Brothers	\$ 13,602	12	0.54%	ICU Medical Inc	\$ 13,221	12	0.57%
SLC Sorenson 9 Equities LLC	\$ 13,172	13	0.52%	Redevelopment Agency	\$ 12,578	13	0.54%
Redevelopment Agency	\$ 12,503	14	0.50%	SRP Building IX, LLC	\$ 12,470	14	0.54%
Alliance Capital Development	\$ 12,019	15	0.48%	DDR Family Centers LP	\$ 10,575	15	0.46%
	<u>\$ 340,867</u>		<u>13.51%</u>		<u>\$ 327,350</u>		<u>14.18%</u>

CITY OF TAYLORSVILLE
Property Tax Levies and Collections
(Per \$1,000 of Assessed Value)

<u>Fiscal</u>	<u>Total Tax</u>	<u>Current Tax</u>	<u>Percent of Taxes</u>	<u>Delinquent Tax</u>	<u>Total Tax</u>	<u>Collected as a Percentage of Total Tax</u>
2006	\$ 3,567,498	\$ 3,464,828	97.12%	\$ 97,359	\$ 3,562,187	99.85%
2007	\$ 4,170,823	\$ 4,082,529	97.88%	\$ 85,567	\$ 4,168,096	99.93%
2008	\$ 4,256,659	\$ 4,120,204	96.79%	\$ 82,887	\$ 4,203,091	98.74%
2009	\$ 4,288,492	\$ 4,166,095	97.15%	\$ 85,045	\$ 4,251,140	99.13%
2010	\$ 4,274,369	\$ 4,131,283	96.65%	\$ 77,490	\$ 4,208,773	98.47%
2011	\$ 4,328,397	\$ 4,181,078	96.60%	\$ 85,736	\$ 4,266,814	98.58%
2012	\$ 4,299,666	\$ 4,169,257	96.97%	\$ 130,931	\$ 4,300,188	100.01%
2013	\$ 5,011,821	\$ 4,853,499	96.84%	\$ 92,428	\$ 4,945,927	98.69%
2014	\$ 6,489,413	\$ 6,333,771	97.60%	\$ 145,683	\$ 6,479,454	99.85%
2015	\$ 3,274,782	\$ 3,197,178	97.63%	\$ 90,931	\$ 3,288,109	100.41%

CITY OF TAYLORSVILLE
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years
(Amounts Expressed In Thousands, Except Per Capita Amount)

<u>Fiscal Year</u>	<u>Capital Lease (000's)</u>	<u>Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
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
2010	186	9,000	0.41%	\$ 35.98
2011	133	8,630	0.39%	\$ 37.90
2012	76	12,205	0.64%	\$ 32.47
2013	15	11,879	0.90%	\$ 22.39
2014	-	12,855	0.95%	\$ 22.37
2015	-	9,415	0.69%	\$ 22.43

CITY OF TAYLORSVILLE
 Computation of Direct And Overlapping Bonded Debt-
 General Obligation Bonds

Name of Governmental Units	Net Debt Outstanding	Percentage Applicable to City of Taylorsville	Amount
Direct Debt- City of Taylorsville	-	100.00%	-
Overlapping Debt:			
State of Utah:	\$ 2,949,659,000	2.05%	\$ 60,571,756
Salt Lake County:	184,880,000	5.61%	10,362,633
			<u>\$ 70,934,389</u>

CITY OF TAYLORSVILLE
 Legal Debt Margin Information
 Last Ten Years
 (Amounts Expressed In Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932	102,112	112,474	108,886	89,606	79,147
Total net debt applicable to limit	9,415	12,855	\$ 9,038	\$ 8,965	\$ 8,630	\$ 9,000	\$ 9,355	\$ 9,700	\$ 10,000	
Legal debt margin	91,523	84,704	83,139	79,150	91,302	93,112	103,119	99,186	79,606	79,147
Total net debt applicable to the limit as a percentage of debt limit	10%	15%	11%	11%	9%	10%	9%	10%	13%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value	\$ 2,523,449	\$ 2,438,970	\$ 2,304,415	\$ 2,202,882	\$ 2,498,307	2,552,788	2,811,852	2,722,154	2,240,142	1,978,687
Add back: Exempt real property										
Total assessed value	2,523,449	2,438,970	2,304,415	2,202,882	2,498,307	2,552,788	2,811,852	2,722,154	2,240,142	1,978,687
Debt limit (4% of total assets, value)	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932	\$ 102,112	\$ 112,474	\$ 108,886	\$ 89,606	79,147
Debt applicable to limit										
General obligation bonds										
Less: Amount set aside for repayment on G.O Debt										
Total net debt applicable to limit										
Total debt margin	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932	102,112	112,474	108,886	89,606	79,147

CITY OF TAYLORSVILLE
Demographic Statistics And Economic Statistics
Last Ten 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)
2006	58,170	10.7	245	20,440	1,281,776	22.035	3.40%
2007	58,293	10.7	121	20,561	1,378,921	23.655	2.80%
2008	58,416	10.7	127	20,688	1,423,247	24.364	3.20%
2009	58,539	10.7	29	20,717	1,236,110	21.116	5.70%
2010	58,652	10.7	14	20,731	1,285,300	21.914	7.20%
2011	58,945	10.7	7	20,738	1,301,276	22.076	7.30%
2012	59,240	10.7	93	20,831	1,317,497	22.240	6.00%
2013	59,536	10.7	28	20,859	1,327,657	22.399	4.70%
2014	60,519	10.7	8	20,867	1,353,931	22.372	3.30%
2015	60,433	10.7	71	20,938	1,355,270	22.426	3.40%

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 Years

<u>FY</u>	<u>General Property Tax</u>	<u>General Sale and Use Tax</u>	<u>Franchise Taxes</u>	<u>Total Tax Revenue</u>
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	\$ 7,377,454	\$ 3,588,153	\$ 15,720,708
2010	\$ 4,717,352	\$ 6,716,524	\$ 3,391,262	\$ 14,825,138
2011	\$ 4,693,030	\$ 6,777,649	\$ 3,587,733	\$ 15,058,412
2012	\$ 4,727,535	\$ 7,276,810	\$ 3,647,798	\$ 15,652,143
2013	\$ 5,583,762	\$ 7,450,478	\$ 3,951,495	\$ 16,985,735
2014	\$ 6,831,440	\$ 7,662,586	\$ 4,004,310	\$ 18,498,336
2015	\$ 3,634,240	\$ 7,938,176	\$ 3,858,401	\$ 15,430,817



Top 25 Employers

	Employees
Convergys	2942
American Express	2000
Salt Lake Community College	1300
Granite School District	858
Nelson Laboratories, Inc.	507
ICU Medical	500
Utah Department of Transportation	450
Walmart	450
Citywide Homes Loans	286
Utah Department of Public Safety	270
Sorenson Communications, Inc.	200
Harmons	157
24 Hour Fitness USA, Inc.	150
Ovivo	110
Fresh Market	102
Texas Roadhouse	100
Delta Health Systems	100
Unified State Labs-Public Health Lab	95
IHC Taylorsville Health Center	94
Old Spaghetti Factory of Utah	94
ITT Technical Institute	92
Avalon West Health/Rehabilitation	86
RBS Securities	84
Ream's	84
FutureVision Technologies	77

CITY OF TAYLORSVILLE
Miscellaneous Statistics

Date of Incorporation	July 1, 1996
Form of Government	Mayor/Council
Number of employees	38 Full Time 15 Part Time
Appointed	8
Elected	6
Area in square miles	10.7
Registered voters	27,636

City of Taylorsville facilities and services:

Culture and Recreation:

Swimming Pools	2
Parks	15 (including County owned)
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*

- * City of Taylorsville residents attended two additional elementary schools, one additional secondary school, and one additional high school outside the City of Taylorsville boundaries.

Compliance Reports

Hansen, Bradshaw, Malmrose & Erickson

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, 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, the financial statements of the governmental activities, the business-type activities, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 12, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be

material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying Schedule of Findings and Responses as item 15-1.

We noted certain other matters that we have reported to management of City of Taylorsville in a separate letter dated November 12, 2015.

Management's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

November 12, 2015

Hansen, Bradshaw, Malmrose & Erickson

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INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE* ON COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS, COMPLIANCE FOR EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE AWARDS

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

Report On Compliance with General State Compliance Requirements and for Each Major State Program

We have audited City of Taylorsville, Utah's ("the City") compliance with the applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

Budgetary Compliance	Fund Balance
Justice Courts	Government Records Access
Utah Retirement Systems	Management Act (GRAMA)
Cash Management	Nepotism
Tax Levy Revenue Recognition	Conflicts of Interest
Open and Public Meetings Act	Impact Fees

The City received state funding from the following programs classified as major programs for the year ended June 30, 2015:

B&C Road Funds (UDOT)

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on General State Compliance Requirements and Each Major State Program

In our opinion, City of Taylorsville, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying Schedule of Findings and Responses as item 15-1. Our opinion on compliance is not modified with respect to this matter.

The City's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying Schedule of Findings and Responses as item 15-1.

The City's response to the internal control finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide*

We have audited the 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 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated November 12, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

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

November 12, 2015

CITY OF TAYLORSVILLE
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2015

Grant Name	Award/Contract# if applicable	Year of Last Audit	Expenditures
<u>Utah Department of Transportation</u>			
Class "C" Road Funds	FY15	2015	\$ 1,953,780
<u>Utah Commission on Criminal and Juvenile Justice (UCCJJ)</u>			
Alcohol Allotment	FY15	2013	57,867
Total Grant, Contract, and Loan Fund Expenditures			<u>\$ 2,011,647</u>

CITY OF TAYLROSVILLE
Schedule of Findings and Responses
For the Year Ended June 30, 2015

State Compliance Finding

Requirement/Program

Current Year Findings

15-1 Budgetary Compliance

Finding: State law, *Utah Code 10-6-123*, requires that officers and employees of an entity shall not incur expenditures in excess of the total appropriation for any department or fund. For the year ended June 30, 2015, expenditures exceeded budgeted amounts in the following fund:

<u>Fund</u>	<u>Department/Category</u>	<u>Amount over Budget</u>
General Fund	Total expenditures	\$2,489,585

Recommendation: The City should monitor the status over expenditures as compared to the budget through the year, and amend the budget as necessary to ensure compliance with State Code.

Management's Response: Management will monitor expenditures throughout the year and amend the budget as needed to ensure compliance with State Code.