



Comprehensive Annual Financial Report



Year Ended June 30, 2020

CITY OF TAYLORSVILLE

Taylorsville, Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared by:

Scott P. Harrington

Chief Financial Officer / Assistant City Administrator

CITY OF TAYLORSVILLE
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02 December 2020

Honorable Kristie S. Overson, Mayor
Meredith Harker, Taylorsville City Council Chair
Daniel Armstrong, Taylorsville Council Member
Ernest Burgess, Taylorsville City Council Member
Curt Cochran, Taylorsville City Council Member
Anna Barbieri, Taylorsville City Council Member

Dear Elected Officials, Citizens of Taylorsville and Interested Parties,

It is our great pleasure to present to you the *Comprehensive Annual Financial Report* (CAFR) for the City of Taylorsville (the City) for the fiscal year ended June 30, 2020. Utah State law, §10-6-150(1), requires that all local governments publish this report within six months of the close of each fiscal year.

The CAFR of Taylorsville includes a comprehensive financial analysis covering all funds and financial transactions for the fiscal year, which began on July 1, 2019, and ended June 30, 2020. It is presented in conformity with Generally Accepted Accounting Principles (GAAP) and represents the culmination of many hours of work by the City's administrative staff, with assistance from accounting, auditing and financial professionals under contract with the City. The Independent Auditor's Report contained herein, was written and submitted by the accounting firm of HBME, LLC, in effort to provide reasonable assurance that the financial statements of the City are free of material misstatements.

Responsibility for the CAFR's accuracy rests with the City. Accordingly, we vouch for the accuracy and fairness of the information presented. We assert that to the best of our knowledge and belief this financial report is complete and reliable in all significant aspects.

Profile of Taylorsville City

The City of Taylorsville was incorporated on July 1, 1996, through the grassroots efforts of citizens who developed a vision that would provide greater local control of community planning, economic development and municipal service delivery. Today, more than 20 years later, the City continues to build on that foundation while keeping eyes keenly focused on the future. To that end, the City has developed a "20/20 Vision" for the Year 2020 and beyond. That vision focuses on new business and economic growth taking place across the City, as well as development opportunities and projects on the horizon. It includes completion of a new \$42 million regional Performing Arts Center, efforts to bring new business and affordable housing to the City, and plans for prime development locations, transportation and land use.

Indeed, 2020 has been a very busy year for the City with the planned opening of the Mid-Valley Performing Arts Center and an ambitious new landscaping and open space design tying it and City Hall together into one cohesive space. Also topping the list of coming projects this next year is the new Midvalley Bus Rapid Transit line, the opening of the new freeway-style interchange at 6200 South and Bangerter Highway, and the announced opening of a new Target store in the Crossroads of Taylorsville shopping center, also slated for fall 2020. In addition, The Church of Jesus Christ of Latter-day Saints has announced plans to construct a temple in Taylorsville.

New businesses continue to locate in the City and existing businesses are flourishing. Among them is the Summit Vista retirement community. Summit Vista celebrated its third-year anniversary and continued expansion with the opening of its newest poplar creek building in October. For many years and across several administrations, the City has worked in partnership with citizens, business leaders and government agencies to bring to Taylorsville this first-of-its-kind development. Upon its opening two years ago, the state's largest daily newspaper described the continuing-care retirement community — with its 1,800 housing units for seniors, 62,000-square-foot field house, four restaurants and other amenities — as “unlike anything in Utah.” (*The Salt Lake Tribune*, Sept. 23, 2018)

Efforts to attract and bring new businesses to Taylorsville are the result of concerted efforts by City leaders. The goal is encapsulated in the City's 2020 Vision, which includes plans for both the next year as well as coming decade, as the City works to define and implement objectives across the 2020s through year 2030. This planning process is meant to create a forward-thinking, proactive and reinvigorating approach focused on better serving residents, visitors, business and property owners. Recent efforts have involved public meetings and events and the gathering of public input, including citywide polling, as the City seeks to involve all stakeholders and residents.

Efforts also have included a reinvisioning of the City's commercial centers, focused on four primary areas, including:

- 5400 S. Redwood Road. It is the largest of the four centers at 166 acres and with an estimated 50 percent or more of surface parking lot. Walmart is located on the eastside of this study area and Regal Cinemas is located to the west.
- 4700 S and 2700 W Westwood Village shopping center. This is known as the old Reams Center, with the announcement of the Taylorsville temple in fall of 2019 this has come to the for front as an opportunity for redevelopment.
- 4100 S. Redwood Road. This area encompasses the northern boundary of Taylorsville and West Valley City and includes Carriage Square and the Savers store. It is viewed as a critical area because it is Taylorsville's Gateway.
- Bangerter Highway and 5400 South. This is the second largest study area at 64 acres. On the south side is the former Big K lot, which is vacant, with newer development to the north. It is also a gateway area, sharing a boundary with Kearns.

The current population of Taylorsville is estimated at 59,805 as of July 1, 2019, with an approximate annual growth rate of .75%, in an area encompassing 10.7 square miles. It is centrally located in the middle of the Salt Lake Valley, connecting in physical proximity several neighboring cities. Its location between major thoroughfares, I-215 and Bangerter Highway, makes transportation a high priority.

Taylorsville is where community connects. The quality of life in Taylorsville is high with many cultural and recreational activities available within the City or nearby. The City values its reputation as a well-maintained residential and business community. The City is proud of the stunning scenic background provided by the Wasatch Mountains to the east and Oquirrh Mountains to the west. A river also runs through; the Jordan River, with its bike and walking trails and beautiful natural habitat, is without question a prize gem of the City. Residents of Taylorsville place a high value on the natural element of the Jordan River corridor, as well as the open spaces and parks that dot the area. Among them is the large Swensen Valley Regional Park, home to the popular Taylorsville Dayzz, the City's annual summer celebration that draws thousands of people each year for carnival rides, a parade, entertainment and fireworks. A bustling suburb of Utah's capital city, Taylorsville represents a balance of homes, businesses and thriving commercial areas.

While Taylorsville remains one of Utah's newest cities, the area has a rich history extending hundreds of years. Some of the region's first named visitors were Fremont people who used the area to hunt and gather food along the Jordan River more than a thousand years ago. Early settlers observed small encampments of the Ute Tribe in the cottonwoods along the Jordan River, and in 1848, pioneers Joseph and Susanna Harker crossed over the Jordan River to found the Taylorsville-Bennion areas originally referred to as "Over Jordan." Because its incorporation in 1996 occurred in Utah's centennial year, Taylorsville is sometimes called "Utah's Centennial City."

The City is organized under a Council-Mayor form of Municipal Government, with the Mayor serving the community as Chief Executive Officer of the City. Under this form of government, the City Council is the legislative body, enacting ordinances and adopting the City's annual budget. The Mayor oversees the administration of the City through the Community Development, the Court and the Administrative Departments, utilizing the budget adopted by the City Council.

Services Provided

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
- Fire protection and emergency medical services through Unified Fire Authority
- 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

Economic Condition and Outlook

Like the State of Utah, the immediate economic outlook for the City of Taylorsville appears to be recovering from the effects of Covid 19 pandemic. The unemployment rate for the state went down from 8.6% in May 2020 to 5.3% in June 2020. Recent successes include:

- The opening of several new infill and inline businesses.
- Summit Vista's third residential tower opened, and residents are moving in. The fourth residential tower is currently under way and planned to open spring of 2021.
- Macey's is scheduled to open in Taylorsville town center in fall of 2020.
- Jade Square has had several new businesses open including Ogden's Carpet Outlet.
- Construction of the new Target is underway and will open in the fall of 2020.

The City received 38% of its general fund revenue from sales taxes, and 14% from real property, personal property and motor vehicle taxes.

Long-Term Planning and Major Initiatives

Rebuilding from deferred maintenance remains a priority of the City, with particular focus on streets, storm drains, parks and government buildings. The City Council has increased funding dedicated to these initiatives and continues to recognize economic development as essential to success.

Looking forward, the Mayor and City Council have set challenging goals for Taylorsville's future. Their 20/20 Vision for the next decade-plus will be carried out through concerted economic development activities with City business partners, continued government efficiencies and ongoing adherence to fiscal discipline. The City is well positioned to meet its economic growth goals, especially considering its ideal location in the Salt Lake Valley, educated population, and strong business and government partnerships.

Major initiatives and projects include significant road, storm drain, park and beautification projects throughout the City over the next several fiscal years. The City 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, Nelson Labs, Convergys and others.

In addition to the Bus Rapid Transit and Midvalley Connector projects, additional transportation priorities on which the City is focused include:

- Bangerter Interchange at 6200 South which is currently underway and has a completion date in the spring of 2021
- 4700 South and 2700 West Intersection improvements
- Redwood Beautification (4100-5400 South) is planned to start in 2021
- Planning continues for a frontage road between 4700 S and 4100 S along the I215 corridor.

The City also remains committed to maximizing and maintaining recreational areas. One priority is to connect all open spaces with trails, and the City has begun that work, utilizing monies from the State and City for this project.

Financial Information and Policies— As a government entity, the City of Taylorsville maintains financial internal accounting control through separate funds, rather than as a single accounting entity, allowing for greater transparency. 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, Economic Development Fund, Capital Project Fund and other nonmajor funds. The Storm Drain Fund is the City's only enterprise 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 GAAP and also follow state and legal guidelines.

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 that 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 following GAAP.

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 and adjusted during the year as needed. 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 budget may be overspent.

GENERAL FUND — General Fund revenues totaled \$23,684,599 in the fiscal year ending June 30, 2020. Property taxes, motor vehicle taxes, and general sales taxes constitute the major sources of revenue. All tax categories in aggregate generated 70.4% of general fund revenue. The unassigned General Fund balance for the year was \$4,417,987, which is equivalent to 92 calendar days of operation expenditures should the City need to use these funds in an emergency. This portion of fund balance represents about 18.7% of General Fund revenue.

DEBT ADMINISTRATION — In this accounting period, the City managed total debt in the amount of \$7,780,000 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 2019-2020 fiscal year totaled \$795,000. In October of 2019 the Redevelopment Agency issued \$2,140,000 in sales tax revenue bonds for economic development purposes.

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, HBME, LLC to perform the audit required by state law and to meet the requirements of the Federal Single Audit Act. The independent auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section of this report.

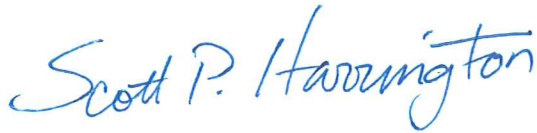
Acknowledgements

We respectfully acknowledge this financial report is a numerical representation of the dedication of all our City employees and contractors. Of course, the cost of providing quality government services is not represented in a set of financial schedules and audited numbers, as some things simply cannot be measured. Yet Taylorsville's general excellence is evident. The success of the community is due in large part to the dedication of its City employees and elected servants, as well as the commitment of its citizens, to making Taylorsville the best place in Utah to live, work and play. A special thank you to the entire City staff and City contractors who contributed to the preparation of this Comprehensive Annual Financial Report. We express our sincere appreciation for their contributions.

Respectfully,



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



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

Elected Officials

Mayor

Kristie Overson

Council Chairman

Meredith Harker

Council Vice Chairman

Brad Christopherson

Council Member

Daniel Armstrong

Council Member

Ernest Burgess

Council Member

Curt Cochran

Appointed Officials

City Administrator / Treasurer

John Taylor

C.F.O./ Assistant City Administrator

Scott Harrington

Community Development Director

Mark McGrath

Justice Court Judge

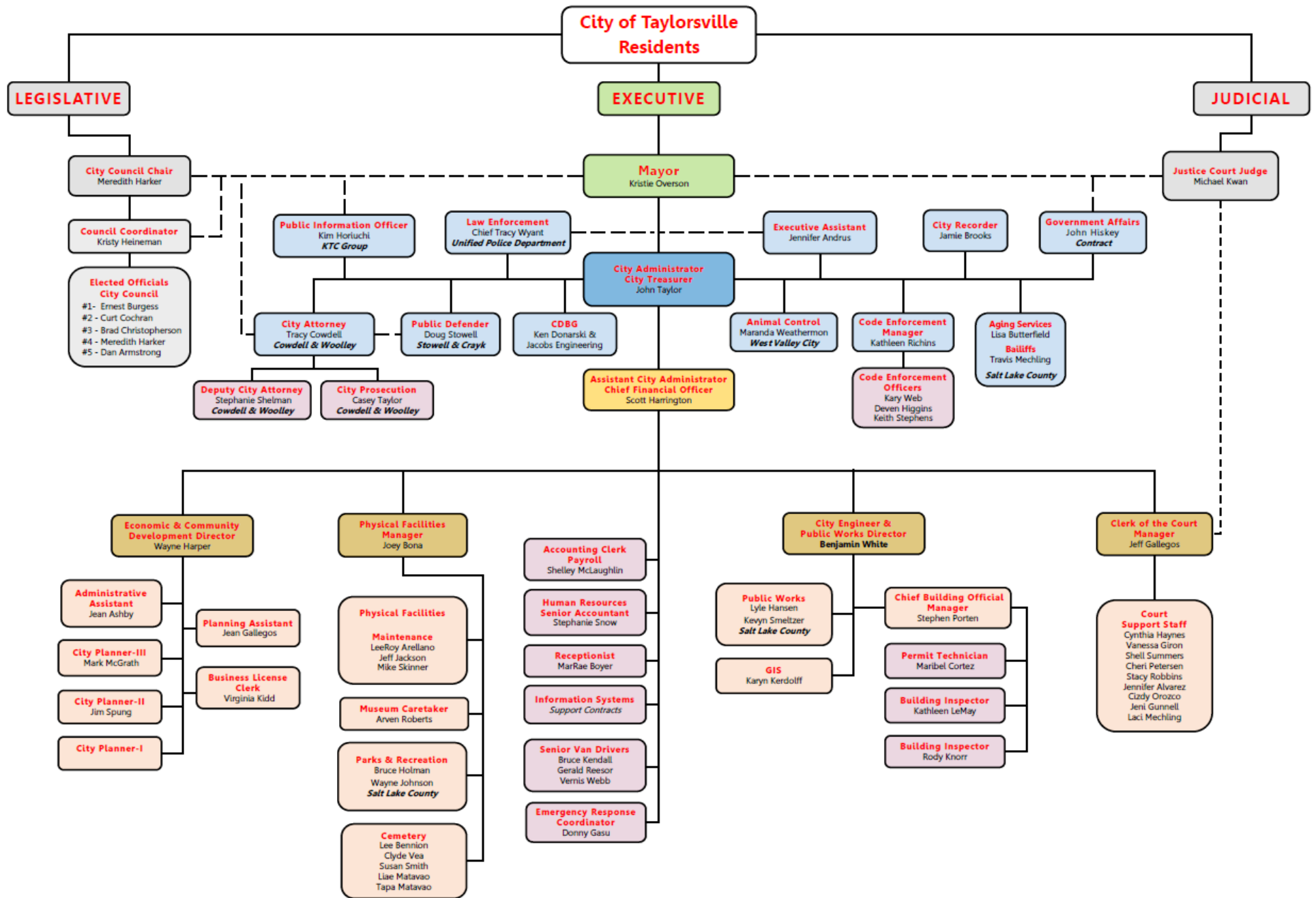
Michael W. Kwan

Recorder

Jamie Brooks

City Engineer

Ben White





COMMITTED. EXPERIENCED. TRUSTED

Independent Auditor's 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, 2020, 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.

Auditor's 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 auditor's 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.

CERTIFIED PUBLIC ACCOUNTANTS

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
SHAWN F. MARTIN, CPA

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, 2020, 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 and pension schedules on pages 5-13 and 53-55 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 schedules, combining component unit financial statements, and the other information, such as 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 schedules, 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 schedules, 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 25, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

HBMC, LLC

November 25, 2020

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CITY OF TAYLORSVILLE
Management's Discussion and Analysis
For the year ended June 30, 2020

**Management's Discussion and Analysis
for fiscal year 2019-20**

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, 2020. 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-vi of this report.

Financial Highlights

- Primary government total assets exceeded total liabilities at the close of 2020 by \$180,126,543 (net position). Of this amount, \$161,146,479 was invested in capital assets and \$6,143,643 was restricted for debt service, future construction, parks and other purposes. The City's governmental activities have an unrestricted net position of \$11,774,505. The City's business-type activities have an unrestricted net position of \$1,061,916.
- The City's total net position increased by \$15,797 in 2020. The net position of the governmental activities decreased by \$183,162 in 2020 compared to a net decrease of \$1,005,700 in 2019.
- At the close of 2020, the City's governmental funds reported combined ending fund balances of \$18,877,499. The restricted, assigned and nonspendable portion of the fund balance is \$14,459,512.
- At the end of 2020, the unassigned fund balance for the General Fund was \$4,417,987. This is up by 24.0% over last year when compared to last year's total of \$3,563,332.
- The City's business-type activities reported net position of \$11,241,936 as of the end of June 30, 2020, which was a \$198,959, increase from 2019.

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, liabilities and deferred outflows and inflows of resources with the difference between the categories 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 development and parks and recreation. 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 the Redevelopment Agency is blended and reported together with the financial information of the primary government. The other two component units are reported discretely from the financial information of the primary government.

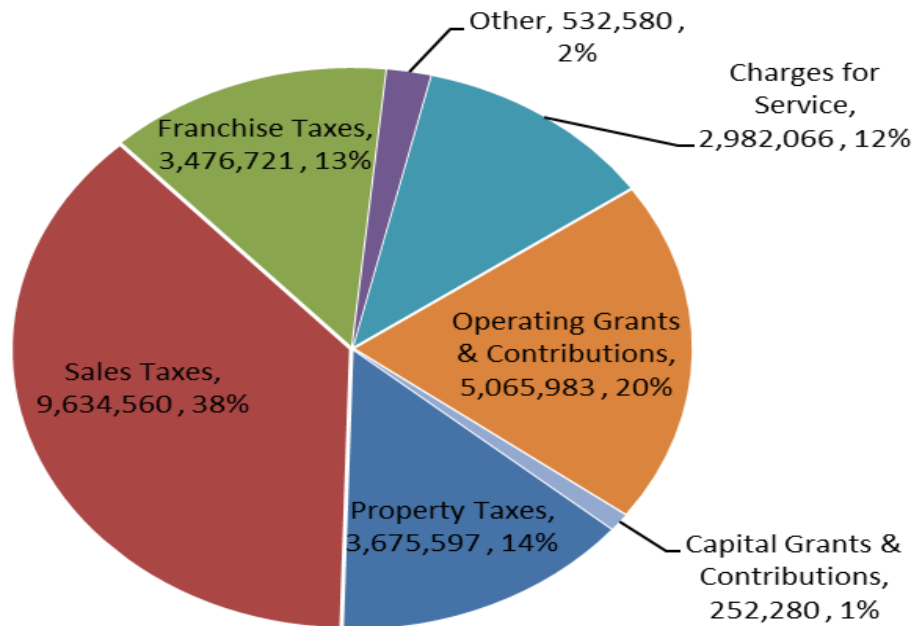
The government-wide financial statements are summarized with the following charts and graphs.

CITY OF TAYLORSVILLE
Management's Discussion and Analysis
For the year ended June 30, 2020

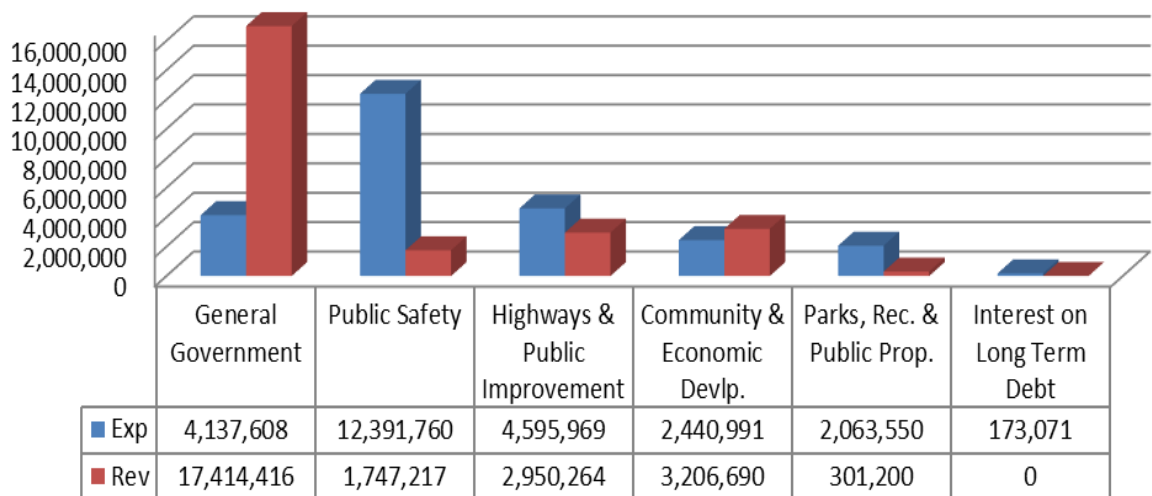
	Governmental Activities June 30, 2020	Governmental Activities June 30, 2019	Business-Type Activities June 30, 2020	Business-Type Activities June 30, 2019	Totals June 30, 2020	Totals June 30, 2019
Current and other assets	\$ 25,550,200	\$ 24,366,133	\$ 1,602,518	\$ 1,942,481	\$ 27,152,718	\$ 26,308,614
Capital assets	156,571,339	155,610,524	12,220,100	11,518,153	168,791,439	167,128,677
Total Assets	182,121,539	179,976,657	13,822,618	13,460,634	195,944,157	193,437,291
Total deferred outflows of resources	502,005	886,938	62,120	74,544	564,125	961,482
Long-term debt outstanding	6,647,484	5,693,428	2,102,200	2,375,900	8,749,684	8,069,328
Other liabilities	2,042,706	2,075,263	540,602	116,301	2,583,308	2,191,564
Total Liabilities	8,690,190	7,768,691	2,642,802	2,492,201	11,332,992	10,260,892
Total deferred inflows of resources	5,048,747	4,027,135	-	-	5,048,747	4,027,135
Net assets:						
Net investment in capital assets	150,966,459	152,283,681	10,180,020	9,216,797	161,146,479	161,500,478
Restricted	6,143,643	5,640,315	-	-	6,143,643	5,640,315
Unrestricted	11,774,505	11,143,773	1,061,916	1,826,180	12,836,421	12,969,953
Total Net Position	\$ 168,884,607	\$ 169,067,769	\$ 11,241,936	\$ 11,042,977	\$ 180,126,543	\$ 180,110,746

	Governmental Activities June 30, 2020	Governmental Activities June 30, 2019	Business-Type Activities June 30, 2020	Business-Type Activities June 30, 2019	Total June 30, 2020	Total June 30, 2019
Revenues						
Program revenues:						
Charges for services	\$ 2,982,066	\$ 2,829,901	\$ 1,180,190	\$ 1,187,041	\$ 4,162,256	\$ 4,016,942
Operating grants and contributions	5,065,983	2,850,200	-	-	5,065,983	2,850,200
Capital grants and contributions	252,280	1,318,130	195,358	-	447,638	1,318,130
General revenues:						
Property taxes	3,675,597	3,623,316	-	-	3,675,597	3,623,316
Other taxes	13,111,281	12,694,316	-	-	13,111,281	12,694,316
Other revenues	532,580	720,346	137	111	532,717	720,457
Total revenue	25,619,787	24,036,209	1,375,685	1,187,152	26,995,472	25,223,361
Program expenses:						
General government	4,137,608	4,004,831	1,176,726	1,025,864	5,314,334	5,030,695
Public safety	12,391,760	11,938,637	-	-	12,391,760	11,938,637
Highway and public improvements	4,595,969	4,953,469	-	-	4,595,969	4,953,469
Community and economic development	2,440,991	2,140,083	-	-	2,440,991	2,140,083
Parks and public property	2,063,550	1,881,193	-	-	2,063,550	1,881,193
Interest on long term debt	173,071	123,696	-	-	173,071	123,696
Total expenses	25,802,949	25,041,909	1,176,726	1,025,864	26,979,675	26,067,773
Change in net position	(183,162)	(1,005,700)	198,959	161,288	15,797	(844,412)
Net Position Beginning of Year	169,067,769	170,073,469	11,042,977	10,881,689	180,110,746	180,955,158
Net Position End of year	\$ 168,884,607	\$ 169,067,769	\$ 11,241,936	\$ 11,042,977	\$ 180,126,543	\$ 180,110,746

Revenues by Source Governmental Activities Fy 2020



Expenses and Program Revenue FY 2020



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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 \$180.1 million at the close of 2020.

The largest portion of the City's net position (89.5%) 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 (3.4%) represents resources that are subject to restrictions as to how they may be used. Of the total \$6.1 million restricted net position, \$371,702 is restricted for road maintenance project (Class C roads), \$2,199,235 is restricted for park construction projects, \$3,518,461 is restricted for other future capital projects, and \$54,245 is reserved for use in our home fund projects. The unrestricted balance is \$12,836,421.

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. The primary differences in net position between the two years for governmental activities was decreases in construction project payables, increases in deferred inflows related to pensions, additions to long-term debt and decreases in net pension liability. The bus-type activities net position change was a result of a grant in the amount of \$195,358 from the EPA which was used for storm drain projects.

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. Taylorsville 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

CITY OF TAYLORSVILLE
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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 (major), Capital Projects- Infrastructure (major), Capital Projects- Building (nonmajor), Park-Impact (nonmajor) and the Economic Development Fund (major). Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 15-22 of this report.

Enterprise Funds

The proprietary fund financial statements provide separate information for Taylorsville's only enterprise fund; which, is the Storm Water Management Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The total net position for the enterprise fund is \$11,241,936 as of June 30, 2020.

Notes to the Financial Statements

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 27-52 of this report.

Required Supplementary Information and Other Information

Other information in addition to the basic financial statements and accompanying notes presents certain required supplementary information concerning the City's accounting and reporting for pensions that are provided to employees of state and local government employers through pension plans that are administered through trusts.

The combining statements and budgetary comparisons in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 57-63 of this report.

Financial Analysis of the Governmental Funds

The general fund is responsible for all of the general services provided by Taylorsville City. The City is in a good financial position, our fund balance is historically near the maximum allowed by state law, which is 25% of current revenues. The current unassigned fund balance for the general fund is \$4,417,987 which is 18.7% of revenues. Total expenditures for the general fund were \$21,996,635. Taylorsville also entered into a joint venture with Salt Lake County on a performing arts center. The City contributed its final payment of 1 million dollars

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this fiscal year to this multiyear project. The City also had an increase in building permits with the continued construction at Summit Vista Life Plan Community. The City also cut expenses drastically in last quarter of 2020 because of the uncertainty of the effects that COVID-19 would have on revenues: fortunately, our revenues continued as budgeted.

The redevelopment fund managed debt service payments in the amount of \$200,000. Tax and other revenue collected were up by \$1,245,763 over the last year, due to continued economic development efforts in the City. Fund balance is at \$3,521,813; which, is up \$1,414,934 from FY 2019.

The infrastructure fund continued to invest in the performing arts center at city hall. The Bus Rapid Transit Project in the 4700 S. corridor is planned to start construction in 2022. Taylorsville will continue to contribute funds to this project in the upcoming year. \$913,337 was transferred in FY 2020 to the infrastructure fund; which, will help fund the Redwood Road project which will begin in FY 2021.

Budgetary Highlights

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 funds to demonstrate compliance with the annual budget requirements and the City's accounting processes. The actual general fund expenditures were \$21,996,635, which is 87.6% of budget. The revenue collected for the general fund this year totaled \$23,684,599 or 93.6% of budget. We were able to transfer \$913,337 to the infrastructure fund to help fund the current City Center improvements and upcoming redwood road project.

Capital Assets and Debt Administration

The City's infrastructure is currently in good condition. The increase in infrastructure expenditures over the past years has had a positive impact on the integrity of our roads and other assets of the City.

	Governmental Activities		Business Type Activities	
	2020	2019	2020	2019
Land and water rights	\$ 131,832,081	\$ 129,830,497	\$ -	\$ -
Construction in progress	3,335,414	2,035,706	421,832	-
Building and improvements	10,169,179	11,196,619	-	-
Office furniture and equipment	114,159	107,178	-	-
Vehicles and equipment	163,232	143,983	-	-
Infrastructure	10,957,274	12,296,541	11,798,268	11,518,153
	<u>\$ 156,571,339</u>	<u>\$ 155,610,524</u>	<u>\$ 12,220,100</u>	<u>\$ 11,518,153</u>

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For the year ended June 30, 2020

At June 30, 2020, the City had \$7,780,000 of long-term bonds outstanding, secured by specified revenue sources, (i.e. sales tax revenue bonds/ property tax revenue bonds). The City does not have any capital lease. See chart below for debt summary.

	Governmental Activities		Business Type Activities	
	2020	2019	2020	2019
Revenue bonds payable	\$ 5,677,800	\$ 4,059,100	\$ 2,102,200	\$ 2,375,900
Compensated absences	239,331	198,779	-	-
	<u>\$ 5,917,131</u>	<u>\$ 4,257,879</u>	<u>\$ 2,102,200</u>	<u>\$ 2,375,900</u>

The City's total bonded debt increased by \$1,345,000 during fiscal year 2020. The key factor in this increase was the issuance of the 2019 bond series associated with economic development. The City maintains bond ratings as follows: "AA" rating from Standard & Poor's on its sales and use tax bonds series 2015.

The City has not issued general obligation bonds and therefore has no general obligation debt as of June 30, 2020. 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 41-42 of this report.

Economic Factors and the Next Year's Budget and Rates

- The unemployment rate for the City and for Utah was at 5.1% at the end of June 2020, which has continued to trend higher than the 3.8% rate for 2019. The national rate was 11.1% as of the end of June 2020. This can be attributed to Covid-19
- The City expects a 1.0% increase in its sales tax revenue for the coming year. These factors were considered when the City prepared its 2020-2021 fiscal year budget.
- The City Council has continued to invest in economic development as one of the top priorities in the City for the next fiscal year. To that end, four redevelopment agency areas have been identified and the City plans to continue to invest in infrastructure in these areas.

CITY OF TAYLORSVILLE
Management's Discussion and Analysis
For the year ended June 30, 2020

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Cash and cash equivalents	\$ 13,600,398	\$ 1,470,891	\$ 15,071,289	\$ 335,515
Receivables, net of allowance				
Taxes	6,633,014	-	6,633,014	-
Intergovernmental	551,459	-	551,459	-
Accounts	136,709	131,611	268,320	700
Notes receivable	54,245	-	54,245	-
Restricted assets:				
Cash and cash equivalents	4,574,375	16	4,574,391	-
Capital assets not being depreciated:				
Land and water rights	131,832,081	-	131,832,081	-
Construction in progress	3,335,414	421,832	3,757,246	-
Capital assets - net of accumulated depreciation:				
Buildings and improvements	10,169,179	-	10,169,179	-
Office furniture and equipment	114,159	-	114,159	16,532
Vehicles and equipment	163,232	-	163,232	-
Infrastructure	10,957,274	11,798,268	22,755,542	-
Total assets	182,121,539	13,822,618	195,944,157	352,747
<u>Deferred Outflows of Resources</u>				
Deferred loss on refunding	72,920	62,120	135,040	-
Deferred outflows related to pensions	429,085	-	429,085	-
Total deferred outflows of resources	502,005	62,120	564,125	-
<u>Liabilities</u>				
Accounts payable	1,106,638	532,088	1,638,726	56,715
Accrued liabilities	914,357	-	914,357	230
Accrued interest payable	21,711	8,514	30,225	-
Noncurrent liabilities:				
Due within one year	785,132	280,600	1,065,732	-
Due in more than one year	5,131,999	1,821,600	6,953,599	-
Net pension liability	730,353	-	730,353	-
Total liabilities	8,690,190	2,642,802	11,332,992	56,945
<u>Deferred Inflows of Resources</u>				
Deferred property tax revenue	4,628,331	-	4,628,331	-
Deferred inflows related to pensions	420,416	-	420,416	-
Total deferred inflows of resources	5,048,747	-	5,048,747	-
<u>Net Position</u>				
Net investment in capital assets	150,966,459	10,180,020	161,146,479	16,532
Restricted for:				
Future construction	3,518,461	-	3,518,461	-
Class C roads	371,702	-	371,702	-
Federal programs	54,245	-	54,245	-
Parks	2,199,235	-	2,199,235	-
Unrestricted	11,774,505	1,061,916	12,836,421	279,270
Total net position	\$ 168,884,607	\$ 11,241,936	\$ 180,126,543	\$ 295,802

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

CITY OF TAYLORSVILLE
Statement of Activities
For the Year Ended June 30, 2020

	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	\$ 4,137,608	\$ 39,165	\$ 55,793	\$ -	\$ (4,042,650)		\$ (4,042,650)	
Public safety	12,391,760	1,652,796	94,421	-	(10,644,543)		(10,644,543)	
Highways and public improvements	4,595,969	-	2,873,064	77,200	(1,645,705)		(1,645,705)	
Community and economic development	2,440,991	1,163,985	2,042,705	-	765,699		765,699	
Parks, recreation and public property	2,063,550	126,120	-	175,080	(1,762,350)		(1,762,350)	
Interest and fiscal charges on long-term debt	173,071	-	-	-	(173,071)		(173,071)	
Total governmental activities	25,802,949	2,982,066	5,065,983	252,280	(17,502,620)		(17,502,620)	
Business-type activities								
Storm drain	1,176,726	1,180,190	-	195,358		\$ 198,822	198,822	
Total Primary Government	\$ 26,979,675	\$ 4,162,256	\$ 5,065,983	\$ 447,638	(17,502,620)	198,822	(17,303,798)	
Component Units:								
Taylorsville Dayzz, Inc.	\$ 61,662	\$ 1,275	\$ 86,000	\$ -				\$ 25,613
Taylorsville Art Council	37,669	10,493	29,991	-				2,815
Total component units	\$ 99,331	\$ 11,768	\$ 115,991	\$ -				28,428
General Revenues:								
Taxes								
Property taxes					3,675,597	-	3,675,597	-
Sales taxes					9,634,560	-	9,634,560	-
Franchise taxes					3,476,721	-	3,476,721	-
Investment earnings					371,884	137	372,021	2,606
Gain on sale of capital assets					2,885	-	2,885	-
Other					157,811	-	157,811	-
Total general revenues					17,319,458	137	17,319,595	2,606
Change in net position					(183,162)	198,959	15,797	31,034
Net position - beginning					169,067,769	11,042,977	180,110,746	264,768
Net position - ending					\$ 168,884,607	\$ 11,241,936	\$ 180,126,543	\$ 295,802

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

CITY OF TAYLORSVILLE
Balance Sheet – Governmental Funds
June 30, 2020

	Governmental Fund Types				
	General	Capital Projects Infrastructure	Special Revenue Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 3,514,383	\$ 4,722,905	\$ 2,901,579	\$ 2,461,531	\$ 13,600,398
Receivables:					
Taxes	5,335,514	-	1,297,500	-	6,633,014
Intergovernmental	551,459	-	-	-	551,459
Other, net	136,709	-	-	-	136,709
Notes receivable	54,245	-	-	-	54,245
Restricted assets:					
Cash and cash equivalents	772,237	3,156,798	645,340	-	4,574,375
Total assets	\$ 10,364,547	\$ 7,879,703	\$ 4,844,419	\$ 2,461,531	\$ 25,550,200
<u>Liabilities</u>					
Accounts payable	\$ 890,387	\$ 71,195	\$ 25,106	\$ 119,950	\$ 1,106,638
Accrued liabilities	914,357	-	-	-	914,357
Total liabilities	1,804,744	71,195	25,106	119,950	2,020,995
<u>Deferred Inflows of Resources</u>					
Deferred property tax revenue	3,330,831	-	1,297,500	-	4,628,331
Deferred revenue from cemetery plots	23,375	-	-	-	23,375
Total deferred inflows of resources	3,354,206	-	1,297,500	-	4,651,706
<u>Fund Balances</u>					
Restricted for:					
Future construction	361,663	3,156,798	-	-	3,518,461
Class C roads	371,702	-	-	-	371,702
Federal programs	54,245	-	-	-	54,245
Parks	-	-	-	2,199,235	2,199,235
Assigned to:					
Infrastructure fund	-	4,651,710	-	-	4,651,710
Economic development fund	-	-	3,521,813	-	3,521,813
Buildings fund	-	-	-	142,346	142,346
Unassigned	4,417,987	-	-	-	4,417,987
Total fund balances	5,205,597	7,808,508	3,521,813	2,341,581	18,877,499
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,364,547	\$ 7,879,703	\$ 4,844,419	\$ 2,461,531	\$ 25,550,200

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****June 30, 2020**

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

Total fund balances - total governmental funds (page 17)	\$ 18,877,499
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	156,571,339
Other long-term assets not available for current period expenditures and are therefore either deferred or not applicable to funds.	72,920
Interest payable is not due and payable in the current period and therefore is not recorded in the funds.	(21,711)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(5,917,131)
Net pension assets and liabilities are not due and payable in the current period and therefore are not reported in the funds.	(721,684)
Deferred inflows of resources associated with the City's cemetery plot receivables is removed in the statement of net position.	<u>23,375</u>
Net position - governmental activities (page 15)	<u><u>\$ 168,884,607</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, 2020**

	Governmental Fund Types				Total Governmental Funds
	Capital Projects	Special Revenue	Nonmajor Governmental Funds		
	Economic Development				
	General	Infrastructure	Development	Funds	Funds
<u>Revenues</u>					
Taxes	\$ 16,683,254	\$ -	\$ 103,624	\$ -	\$ 16,786,878
Impact fees	-	-	-	175,080	175,080
Licenses and permits	821,944	-	-	-	821,944
Intergovernmental	3,599,303	77,200	1,410,887	-	5,087,390
Charges for services	622,769	-	-	-	622,769
Fines and forfeitures	1,569,771	-	-	-	1,569,771
Miscellaneous	30,359	41,313	86,139	-	157,811
Interest income	357,199	-	14,685	-	371,884
Total revenues	23,684,599	118,513	1,615,335	175,080	25,593,527
<u>Expenditures</u>					
General government	2,743,101	690	-	-	2,743,791
Public safety	12,255,280	-	-	-	12,255,280
Highways and public improvements	3,219,906	-	-	-	3,219,906
Community and economic development	2,200,147	-	2,156,678	-	4,356,825
Parks, recreation, and public property	367,610	1,100,000	-	243,065	1,710,675
Non-departmental	823,203	-	-	-	823,203
Debt service:					
Principal	321,300	-	200,000	-	521,300
Interest	66,088	-	53,920	-	120,008
Bond issuance costs	-	-	33,545	-	33,545
Capital outlay:					
Highways and public improvements	-	1,554,269	-	-	1,554,269
Total expenditures	21,996,635	2,654,959	2,444,143	243,065	27,338,802
Excess (deficiency) of revenues over (under) expenditures	1,687,964	(2,536,446)	(828,808)	(67,985)	(1,745,275)
<u>Other Financing Sources (Uses)</u>					
Proceeds from debt	-	-	2,140,000	-	2,140,000
Transfers in	-	913,337	-	-	913,337
Transfers out	(913,337)	-	-	-	(913,337)
Sale of capital assets	-	-	103,742	-	103,742
Total other financing sources (uses)	(913,337)	913,337	2,243,742	-	2,243,742
Net change in fund balances	774,627	(1,623,109)	1,414,934	(67,985)	498,467
Fund balances, beginning of year	4,430,970	9,431,617	2,106,879	2,409,566	18,379,032
Fund balances, end of year	\$ 5,205,597	\$ 7,808,508	\$ 3,521,813	\$ 2,341,581	\$ 18,877,499

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, 2020**

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

Net change in fund balances - total governmental funds (page 19)	\$ 498,467
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.	(2,713,035)
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.	3,774,707
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.	(100,857)
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.	(1,633,285)
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.	12,951
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.	(45,485)
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.	<u>23,375</u>
Change in net position of governmental activities (page 16)	<u>\$ (183,162)</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 – General Fund
For the Year Ended June 30, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>Revenues</u>				
Taxes	\$ 16,847,000	\$ 16,847,000	\$ 16,683,254	\$ (163,746)
Licenses and permits	785,000	810,000	821,944	11,944
Intergovernmental	3,333,120	4,289,120	3,599,303	(689,817)
Charges for services	848,500	924,500	622,769	(301,731)
Fines and forfeitures	1,841,000	1,877,000	1,569,771	(307,229)
Miscellaneous	55,500	55,500	30,359	(25,141)
Interest income	500,000	500,000	357,199	(142,801)
Total revenues	24,210,120	25,303,120	23,684,599	(1,618,521)
<u>Expenditures</u>				
General government				
City council	291,428	291,428	221,255	70,173
Mayor	156,403	156,403	132,531	23,872
Administrative services	2,128,944	2,162,944	1,897,482	265,462
Governmental buildings	572,783	692,783	491,833	200,950
Public safety				
Court operations	1,919,713	1,919,713	1,612,058	307,655
Animal control	487,000	487,000	435,972	51,028
Police	10,397,131	10,397,131	10,207,250	189,881
Highways and public improvements	3,432,620	3,807,620	3,219,906	587,714
Community and economic development				
Planning commission	15,700	15,700	4,228	11,472
Community activities	45,000	45,000	17,297	27,703
Citizens committees	111,550	111,550	76,689	34,861
CDBG programs	1,119,120	1,409,120	624,920	784,200
Community development	710,716	715,616	581,772	133,844
Economic development	448,903	486,403	418,317	68,086
Building and inspection	491,756	575,256	476,924	98,332
Parks, recreation, and public property	466,582	466,582	367,610	98,972
Non-departmental	921,216	967,216	823,203	144,013
Debt service:				
Principal	321,300	321,300	321,300	-
Interest	73,000	73,000	66,088	6,912
Total expenditures	24,110,865	25,101,765	21,996,635	3,105,130
Excess of revenues over expenditures	99,255	201,355	1,687,964	1,486,609
<u>Other Financing Sources (Uses)</u>				
Transfers out	(639,308)	(913,337)	(913,337)	-
Sale of capital assets	20,000	20,000	-	(20,000)
Total other financing sources (uses)	(619,308)	(893,337)	(913,337)	(20,000)
Net change in fund balance	\$ (520,053)	\$ (691,982)	774,627	\$ 1,466,609
Fund balance, beginning of year			4,430,970	
Fund balance, end of year			\$ 5,205,597	

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, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>Revenues</u>				
Property taxes	\$ 295,000	\$ 1,200,000	\$ 103,624	\$ (1,096,376)
Intergovernmental	255,000	330,000	1,410,887	1,080,887
Interest income	25,000	25,000	14,685	(10,315)
Miscellaneous	-	-	86,139	86,139
Total revenues	575,000	1,555,000	1,615,335	60,335
<u>Expenditures</u>				
Economic development projects	353,500	2,475,000	2,156,678	318,322
Debt service:				
Principal	200,000	200,000	200,000	-
Interest	36,000	60,000	53,920	6,080
Bond issuance costs	-	-	33,545	(33,545)
Total expenditures	589,500	2,735,000	2,444,143	290,857
Excess (deficiency) of revenues over (under) expenditures	(14,500)	(1,180,000)	(828,808)	351,192
<u>Other Financing Sources</u>				
Proceeds from debt	-	2,121,500	2,140,000	18,500
Sale of capital assets	-	-	103,742	103,742
Total other financing sources	-	2,121,500	2,243,742	18,500
Net change in fund balance	\$ (14,500)	\$ 941,500	1,414,934	\$ 369,692
Fund balance, beginning of year			2,106,879	
Fund balance, end of year			\$ 3,521,813	

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

CITY OF TAYLORSVILLE
Statement of Net Position – Proprietary Fund
June 30, 2020

	Storm Drain
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 1,470,891
Receivables:	
Accounts	131,611
Total current assets	1,602,502
Noncurrent assets:	
Cash and cash equivalents, restricted	16
Capital assets:	
Machinery and equipment	39,445
Infrastructure	16,388,501
Construction in progress	421,832
Accumulated depreciation	(4,629,678)
Net capital assets	12,220,100
Total noncurrent assets	12,220,116
Total assets	13,822,618
<u>Deferred Outflows of Resources</u>	
Deferred loss on refunding	62,120
Total deferred outflows of resources	62,120
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	532,088
Accrued interest payable	8,514
Long-term debt, current portion	280,600
Total current liabilities	821,202
Noncurrent liabilities:	
Revenue bonds payable, due after one year	1,821,600
Total noncurrent liabilities	1,821,600
Total liabilities	2,642,802
<u>Net Position</u>	
Net investment in capital assets	10,180,020
Unrestricted	1,061,916
Total net position	\$ 11,241,936

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, 2020**

	<u>Storm Drain</u>
<u>Operating Revenues</u>	
Sales and charges for services	\$ 1,152,764
Miscellaneous	<u>195,358</u>
Total operating revenues	<u>1,348,122</u>
<u>Operating Expenses</u>	
Administration and general	242,247
Repairs and maintenance	439,459
Depreciation	<u>429,011</u>
Total operating expenses	<u>1,110,717</u>
Operating income	<u>237,405</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest income	137
Interest expense	(66,009)
Impact fees	<u>27,426</u>
Total nonoperating revenues (expenses)	<u>(38,446)</u>
Change in net position	198,959
Total net position, beginning	<u>11,042,977</u>
Total net position, ending	<u><u>\$ 11,241,936</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, 2020

	Storm Drain
Cash flows from operating activities	
Receipts from customers and users	\$ 1,345,288
Payments to suppliers	(256,297)
Net cash provided by operating activities	1,088,991
Net cash provided by noncapital financing activities	-
Cash flows from capital and related financing activities	
Acquisition of property, plant, and equipment	(1,130,958)
Impact fees	27,426
Principal paid on capital debt	(273,700)
Interest paid on capital debt	(54,693)
Net cash used by capital and related financing activities	(1,431,925)
Cash flows from investing activities	
Interest received	137
Net cash provided by investing activities	137
Net decrease in cash and cash equivalents	(342,797)
Cash and cash equivalents, beginning of year	1,813,704
Cash and cash equivalents, end of year	\$ 1,470,907
Unrestricted cash	\$ 1,470,891
Restricted cash	16
Total Cash	\$ 1,470,907
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 237,405
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	429,011
Changes in assets and liabilities:	
Accounts receivable	(2,834)
Accounts payable	425,409
Net cash provided by operating activities	\$ 1,088,991

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 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, the Chairman of the City Council, the Chairman of the Arts Council, who is appointed by the Mayor, the Vice-Chair, and Treasurer.

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 and redevelopment agency 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 and Investments

The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents. Investments consist of debt securities and are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

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.

Tax, intergovernmental and other receivables at June 30, 2020, consisted of property tax, sales tax, franchise tax, grants, utility billings, and other miscellaneous items. The utility billings for charged services are billed to customers on a monthly basis. Unbilled service accounts receivable at June 30, 2020 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. However, the City has estimated \$17,075 to be uncollectible on its other receivables.

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 \$3,000 (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 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 adopted a formal policy on minimum fund balance for the general fund of 19.5%. 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 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.

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, 2020, the City's demand deposits and cash on hand amounted to \$19,645,680.

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

Investments – The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The City follows the requirements of UMMA (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund. The City has complied with the UMMA and rules of the Money Management Council with regard to deposits and investments. The City has a separate deposit and investment policy which requires City to follow UMMA.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. 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 of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2020, the City had the following recurring fair value measurements.

	06/30/20	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Securities				
PTIF	\$ 17,390,148	\$ -	\$ 17,390,148	\$ -
Total debt securities	<u>\$ 17,390,148</u>	<u>\$ -</u>	<u>\$ 17,390,148</u>	<u>\$ -</u>

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

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, 2020, \$1,841,970 of the City's \$2,341,970 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. Of the City's investment in the PTIF of \$17,390,148, the City has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with UMMA.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to UMMA. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2020, the City's investments had the following maturities and ratings:

Investment Type	Fair Value	Investment Maturities (in Years)		Quality Ratings
		Less Than 1	1-5	
PTIF	\$ 17,390,148	\$ 17,390,148	\$ -	Unrated
	\$ 17,390,148	\$ 17,390,148	\$ -	

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City's investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer.

The 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. Twice a year, at June 30 and December 31, which are the accounting periods for 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.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

3. RESTRICTED CASH AND CASH EQUIVALENTS

Certain assets are restricted to use as follows as of June 30, 2020:

	Governmental Activities	Business-Type Activities
Governmental activities		
Restricted for debt service	\$ 645,340	\$ 16
Restricted for funds held in trust for Justice Court	25,193	-
Restricted for employee cafeteria plan	13,679	-
Restricted for "C" road funds	371,702	-
Restricted for transportation projects	361,663	-
Restricted for capital projects - infrastructure	3,156,798	-
Total restricted cash and cash equivalents	<u>\$ 4,574,375</u>	<u>\$ 16</u>

4. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>07/01/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/20</u>
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land and water rights	\$ 129,830,497	\$ 2,102,441	\$ (100,857)	\$ 131,832,081
Construction in progress	2,035,706	1,331,338	(31,630)	3,335,414
Total capital assets, not being depreciated	<u>131,866,203</u>	<u>3,433,779</u>	<u>(132,487)</u>	<u>135,167,495</u>
Capital assets, being depreciated:				
Buildings and improvements	22,360,364	238,011	-	22,598,375
Office furniture and equipment	867,128	56,481	-	923,609
Vehicles and equipment	609,034	49,383	-	658,417
Infrastructure	60,105,384	28,683	-	60,134,067
Total capital assets, being depreciated	<u>83,941,910</u>	<u>372,558</u>	<u>-</u>	<u>84,314,468</u>
Accumulated depreciation:				
Buildings and improvements	11,163,745	1,265,451	-	12,429,196
Office furniture and equipment	759,950	49,500	-	809,450
Vehicles and equipment	465,051	30,134	-	495,185
Infrastructure	47,808,843	1,367,950	-	49,176,793
Total accumulated depreciation	<u>60,197,589</u>	<u>2,713,035</u>	<u>-</u>	<u>62,910,624</u>
Total capital assets, net of accumulated depreciation	<u>23,744,321</u>	<u>(2,340,477)</u>	<u>-</u>	<u>21,403,844</u>
Governmental capital assets, net	<u>\$ 155,610,524</u>	<u>\$ 1,093,302</u>	<u>\$ (132,487)</u>	<u>\$ 156,571,339</u>

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

4. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

	07/01/19	Increases	Decreases	06/30/20
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 421,832	\$ -	\$ 421,832
Total capital assets, not being depreciated	-	421,832	-	421,832
Capital assets, being depreciated:				
Infrastructure	15,679,375	709,126	-	16,388,501
Equipment	39,445	-	-	39,445
Total capital assets, depreciated	15,718,820	709,126	-	16,427,946
Accumulated depreciation:				
Infrastructure	4,161,222	429,011	-	4,590,233
Equipment	39,445	-	-	39,445
Total accumulated depreciation	4,200,667	429,011	-	4,629,678
Total capital assets, net of accumulated depreciation	11,518,153	280,115	-	11,798,268
Business-type capital assets, net	<u>\$ 11,518,153</u>	<u>\$ 701,947</u>	<u>\$ -</u>	<u>\$ 12,220,100</u>
Depreciation expense was charged to functions/programs of the primary government as follows:				
Governmental activities:				
General government				\$ 689,615
Public safety				110,309
Highways and public improvements				1,402,039
Community and economic development				158,086
Parks and public property				<u>352,986</u>
Total depreciation expense - governmental activities				<u>\$ 2,713,035</u>
Business-type activities:				
Storm drain				<u>\$ 429,011</u>

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

4. CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

Discretely presented component unit activity for the year ended June 30, 2020 is as follows:

<u>Component Unit</u>	<u>07/01/19</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/20</u>
Capital assets, being depreciated:				
Equipment	\$ 65,404	\$ -	\$ -	\$ 65,404
Total capital assets, depreciated	65,404	-	-	65,404
Accumulated depreciation:				
Equipment	40,378	8,494	-	48,872
Total accumulated depreciation	40,378	8,494	-	48,872
Total component unit capital assets, net	\$ 25,026	\$ (8,494)	\$ -	\$ 16,532

5. DEFERRED PROPERTY TAXES

In conjunction with the implementation of GASB pronouncement 33 “Accounting and Financial Reporting for Non-exchange Transactions” the City has accrued a property tax receivable and a deferred property tax revenue of \$4,628,331.

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, 2020 was not expected to be received within 60 days after the year ended June 30, 2020, the City was required to record a receivable and deferred revenue of the estimated amount of the total property tax levied on January 1, 2020.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

6. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term debt activity of the City for the year ended June 30, 2020, was as follow:

	07/01/19	Increases	Decreases	06/30/20	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Revenue bonds	\$ 4,059,100	\$ 2,140,000	\$ (521,300)	\$ 5,677,800	\$ 689,400
Total bonds payable	4,059,100	2,140,000	(521,300)	5,677,800	689,400
Compensated absences	198,779	278,407	(237,855)	239,331	95,732
Governmental activities, long-term liabilities	<u>\$ 4,257,879</u>	<u>\$ 2,418,407</u>	<u>\$ (759,155)</u>	<u>\$ 5,917,131</u>	<u>\$ 785,132</u>
<u>Business-type activities</u>					
Bonds payable:					
Revenue bonds	\$ 2,375,900	\$ -	\$ (273,700)	\$ 2,102,200	\$ 280,600
Total bonds payable	2,375,900	-	(273,700)	2,102,200	280,600
Business-type activities, long-term liabilities	<u>\$ 2,375,900</u>	<u>\$ -</u>	<u>\$ (273,700)</u>	<u>\$ 2,102,200</u>	<u>\$ 280,600</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. This bond was a direct placement.

\$ 4,570,000

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. This bond was a direct placement.

1,070,000

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

6. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Tax Increment and Sales Tax Revenue Refunding Bonds, Series 2019, original issue of \$2,140,000, principal payments due in annual installments starting in November 2020, interest at 1.99% and due in semi-annual payments with the final payment due November 2031. These bonds were issued to finance the acquisition of land and paying the costs of issuance related to economic development in the Bangerter Highway URA RDA area. Debt service payments will be made from tax increment from the RDA and backed by the General Fund sales tax revenues. This bond was a direct placement.

2,140,000

Total Tax Revenue Bonds

\$ 7,780,000

Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest for the revenue bonds, as of June 30, 2020, are as follows:

Year Ending June 30,	Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2021	\$ 970,000	\$ 169,742	\$ 1,139,742
2022	1,000,000	146,178	1,146,178
2023	1,010,000	122,146	1,132,146
2024	1,040,000	97,632	1,137,632
2025	1,070,000	99,199	1,169,199
2026-2030	2,295,000	119,297	2,414,297
2031-2032	395,000	7,910	402,910
Total Revenue Bonds Payable	<u>\$ 7,780,000</u>	<u>\$ 762,104</u>	<u>\$ 8,542,104</u>

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 employee retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost-sharing, public employee 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.

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 Utah State Retirement 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%
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%

*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.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Contribution Rate Summary

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 Utah State Retirement 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 as of June 30, 2020 are as follows:

Utah Retirement Systems

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111- Local Governmental Division Tier 2	N/A	15.66%	1.03%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 309,443	N/A
Tier 2 Public Employees System	102,516	-
Tier 2 DC Only System	11,844	N/A
Total Contributions	<u>\$ 423,803</u>	<u>\$ -</u>

Contributions reported are URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

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

At June 30, 2020, the City reported no net pension asset and a net pension liability of \$730,353.

	(Measurement Date): December 31, 2019			Proportionate Share	
	Net Pension Asset	Net Pension Liability	Proportionate Share	December 31, 2018	Change
Noncontributory System	\$ -	\$ 720,202	0.1910923%	0.1921505%	-0.0010582%
Tier 2 Public Employees System	-	10,151	0.0451341%	0.0481128%	-0.0029787%
Total Net Pension Asset / Liability	\$ -	\$ 730,353			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2020, the City recognized pension expense of \$410,671. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 68,351	\$ 13,829
Changes in assumptions	80,612	292
Net difference between projected and actual earnings on pension plan investments	-	372,015
Changes in proportion and differences between contributions and proportionate share of contributions	55,719	34,280
Contributions subsequent to the measurement date	224,403	-
Total	\$ 429,085	\$ 420,416

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$224,403 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, 2019. 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,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (31,907)
2021	(59,971)
2022	10,374
2023	(140,616)
2024	972
Thereafter	5,414

Pension Expense and Deferred Outflows and Inflows of Resources By System

Noncontributory System

For the year ended June 30, 2020, the City recognized pension expense of \$354,011. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,511	\$ 10,345
Changes in assumptions	76,278	-
Net difference between projected and actual earnings on pension plan investments	-	364,212
Changes in proportion and differences between contributions and proportionate share of contributions	48,842	34,280
Contributions subsequent to the measurement date	166,188	-
Total	<u>\$ 356,819</u>	<u>\$ 408,837</u>

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources By System (Continued)

The \$166,188 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, 2019. 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,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (30,773)
2021	(58,989)
2022	10,022
2023	(138,466)

Public Safety System

For the year ended June 30, 2020, the City recognized pension expense of (\$359). At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

There were no reported 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, 2019. These contributions, if any, 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,	Net Deferred Outflows (Inflows) of Resources
2020	\$ -

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Pension Expense and Deferred Outflows and Inflows of Resources By System (Continued)

Tier 2 Public Employees System

For the year ended June 30, 2020, the City recognized pension expense of \$57,018. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Tier 2 Public Employees		
Differences between expected and actual experience	\$ 2,840	\$ 3,484
Changes in assumptions	4,334	292
Net difference between projected and actual earnings on pension plan investments	-	7,803
Changes in proportion and differences between contributions and proportionate share of contributions	6,877	-
Contributions subsequent to the measurement date	58,215	-
Total	<u>\$ 72,266</u>	<u>\$ 11,579</u>

Pension Expense and Deferred Outflows and Inflows of Resources By System (Continued)

The \$58,215 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, 2019. 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,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (1,134)
2021	(982)
2022	351
2023	(2,150)
2024	972
Thereafter	5,415

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on a Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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 and is applied consistently to each defined benefit pension plan. 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%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.90%
Absolute return	16%	2.85%	0.45%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% 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 6.95%. 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95%.

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 6.95%, 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 (5.95%) or one percentage-point higher (7.95%) than the current rate:

<u>System</u>	<u>1% Decrease (5.95%)</u>	<u>Discount Rate (6.95%)</u>	<u>1% Increase (7.95%)</u>
Noncontributory System	\$ 2,249,441	\$ 720,202	\$ (555,168)
Tier 2 Public Employees System	87,537	10,151	(49,654)
Total	<u>\$ 2,336,978</u>	<u>\$ 730,353</u>	<u>\$ (604,822)</u>

Pension Plan Fiduciary Net Position

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

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

7. RETIREMENT SYSTEMS AND PENSIONS PLANS (CONTINUED)

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah State Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in a 401(k), 457(b), Roth IRA, and Traditional IRA Defined Contribution Savings Plans with URS. Employee and employer contributions to these plans for the year ended June 30, were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
401(k) Plan*			
Employer contributions	\$ 29,420	\$ 33,300	\$ 40,596
Employee contributions	67,538	58,200	53,411
457 Plan			
Employer contributions	-	-	-
Employee contributions	1,170	1,170	2,213
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	8,413	3,384	2,675
Traditional IRA			
Employer contributions	N/A	N/A	N/A
Employee contributions	2,600	2,600	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 other governmental agencies 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 an 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, Legal Services, and a portion of their Engineering and Technical Services. The term of each contract is one year.

CITY OF TAYLORSVILLE
Notes to the Financial Statements (Continued)
June 30, 2020

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 of operations.

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, 2020, there were no outstanding unpaid claims for the City. Also, the City had no claim settlements during the three years ending June 30, 2020 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, 2020 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	\$ -	\$ 913,337
Infrastructure - Capital Projects Fund	913,337	-
	<u>\$ 913,337</u>	<u>\$ 913,337</u>

12. SUBSEQUENT EVENTS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen across a range of industries, including the public sector. The extent of the impact of COVID-19 on the City's operations and financial performance will depend on certain developments, including the duration and spread of the outbreak as well as its impact on revenues from federal, state, and local sources, all of which cannot be fully predicted. The City was an in-direct recipient of Coronavirus Aid, Relief and Economic Security Act (CARES) funding in the amount of \$3,556,286, paid in two separate distributions of \$1,778,143 in July and September 2020.

These funds are required to be spent on costs directly associated with COVID-19. The extent to which COVID-19 may impact the financial condition of the City is uncertain and no adjustments have been reflected in the financial statements.

Guidance from the US Department of Treasury allows recipients to reimburse for expenditures occurring beginning March 17, 2020 through December 30, 2020. Management has elected to use these funds for certain public health and safety, telecommuting, and temporary office modification expenditures for the year ended June 30, 2021 and none for the year ended June 30, 2020.

CITY OF TAYLORSVILLE

Schedule of the Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2014	0.2011554%	\$ 873,464	\$ 1,773,707	49.20%	90.20%
	2015	0.1931631%	1,093,011	1,668,459	65.51%	87.80%
	2016	0.1932836%	1,241,117	1,667,951	74.41%	87.30%
	2017	0.1684929%	738,218	1,474,482	50.07%	91.90%
	2018	0.1921505%	1,414,943	1,702,844	83.09%	87.00%
	2019	0.1910923%	720,202	1,742,337	41.34%	93.70%
Public Safety System	2014	0.0232587%	\$ 29,250	\$ 34,810	84.00%	90.50%
	2015	N/A	N/A	N/A	N/A	N/A
Tier 2 Public Employees System	2014	0.0645429%	\$ (1,956)	\$ 316,857	-0.60%	103.50%
	2015	0.0574684%	(125)	371,267	-0.03%	100.20%
	2016	0.0518192%	5,780	424,958	1.36%	95.10%
	2017	0.0420613%	3,708	411,697	0.90%	97.40%
	2018	0.0481128%	20,606	561,329	3.67%	90.80%
	2019	0.0451341%	10,151	627,362	1.62%	96.50%

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*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2014	\$ 311,668	\$ 311,668	\$ -	\$ 1,935,667	16.10%
	2015	294,154	294,154	-	1,721,135	17.09%
	2016	276,036	276,036	-	1,594,972	17.31%
	2017	277,487	277,487	-	1,599,416	17.35%
	2018	271,949	271,949	-	1,602,253	16.97%
	2019	292,877	292,877	-	1,748,343	16.75%
	2020	309,443	309,443	-	1,815,926	17.04%
Public Safety System	2014	\$ 13,343	\$ 13,343	\$ -	\$ 41,515	32.14%
	2015	4,803	4,803	-	14,111	34.04%
	2016	-	-	-	-	0.00%
Tier 2 Public Employees System*	2014	\$ 32,297	\$ 32,297	\$ -	\$ 230,856	13.99%
	2015	55,402	55,402	-	370,832	14.94%
	2016	60,829	60,829	-	407,977	14.91%
	2017	62,809	62,809	-	421,253	14.91%
	2018	71,852	71,852	-	475,126	15.12%
	2019	94,943	94,943	-	610,765	15.54%
	2020	102,516	102,516	-	654,633	15.66%
Tier 2 Public Employees DC Only System*	2014	\$ 1,662	\$ 1,662	\$ -	\$ 29,787	5.58%
	2015	2,574	2,574	-	38,300	6.72%
	2016	9,193	9,193	-	137,413	6.69%
	2017	11,521	11,521	-	172,215	6.69%
	2018	10,729	10,729	-	160,373	6.69%
	2019	12,000	12,000	-	171,125	7.01%
	2020	11,844	11,844	-	162,056	7.31%

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.

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

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

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.

2. CHANGES IN ASSUMPTIONS

As a result of the passage of SB129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at firsts eligibility for unreduced retirement prior to age 65.



CITY OF TAYLORSVILLE
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2020

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
<u>Assets</u>			
Cash and cash equivalents	\$ 2,319,185	\$ 142,346	\$ 2,461,531
Total assets	<u>\$ 2,319,185</u>	<u>\$ 142,346</u>	<u>\$ 2,461,531</u>
<u>Liabilities</u>			
Accounts payable	\$ 119,950	\$ -	\$ 119,950
Total liabilities	<u>119,950</u>	<u>-</u>	<u>119,950</u>
<u>Fund Balances</u>			
Restricted for parks	2,199,235	-	2,199,235
Assigned	-	142,346	142,346
Total fund balances	<u>2,199,235</u>	<u>142,346</u>	<u>2,341,581</u>
Total liabilities and fund balances	<u>\$ 2,319,185</u>	<u>\$ 142,346</u>	<u>\$ 2,461,531</u>

CITY OF TAYLORSVILLE**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended June 30, 2020**

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
	Park Impact	Buildings	
<u>Revenues</u>			
Impact fees	\$ 175,080	\$ -	\$ 175,080
Intergovernmental	-	-	-
Total revenues	<u>175,080</u>	<u>-</u>	<u>175,080</u>
<u>Expenditures</u>			
Parks, recreation, and public property	<u>243,065</u>	<u>-</u>	<u>243,065</u>
Total expenditures	<u>243,065</u>	<u>-</u>	<u>243,065</u>
Net change in fund balances	(67,985)	-	(67,985)
Fund balances, beginning of year	<u>2,267,220</u>	<u>142,346</u>	<u>2,409,566</u>
Fund balances, end of year	<u><u>\$ 2,199,235</u></u>	<u><u>\$ 142,346</u></u>	<u><u>\$ 2,341,581</u></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, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>Revenues</u>				
Impact fees	\$ 50,000	\$ 190,000	\$ 175,080	\$ (14,920)
Total revenues	50,000	190,000	175,080	(14,920)
<u>Expenditures</u>				
Park projects	350,000	1,500,000	243,065	1,256,935
Total expenditures	350,000	1,500,000	243,065	1,256,935
Net change in fund balance	<u>\$ (300,000)</u>	<u>\$ (1,310,000)</u>	(67,985)	<u>\$ 1,242,015</u>
Fund balance, beginning of year			<u>2,267,220</u>	
Fund balance, end of year			<u>\$ 2,199,235</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, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
<u>Revenues</u>				
Intergovernmental	\$ -	\$ 77,000	\$ 77,200	\$ 200
Miscellaneous	45,000	45,000	41,313	(3,687)
Total revenues	45,000	122,000	118,513	(3,487)
<u>Expenditures</u>				
Highways and public improvements	250,000	250,000	690	249,310
Art Center	1,100,000	1,100,000	1,100,000	-
Capital outlay	5,876,000	6,126,000	1,554,269	4,571,731
Total expenditures	7,226,000	7,476,000	2,654,959	4,821,041
Deficiency of revenues under expenditures	(7,181,000)	(7,354,000)	(2,536,446)	4,817,554
<u>Other Financing Sources</u>				
Transfers in	639,308	913,337	913,337	-
Total other financing sources	639,308	913,337	913,337	-
Net change in fund balance	<u>\$ (6,541,692)</u>	<u>\$ (6,440,663)</u>	(1,623,109)	<u>\$ 4,817,554</u>
Fund balance, beginning of year			9,431,617	
Fund balance, end of year			<u>\$ 7,808,508</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, 2020**

	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, 2020

	Taylorsville Dayzz, Inc.	Taylorsville Arts Council	Total Component Units
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 281,399	\$ 54,116	\$ 335,515
Accounts receivable	700	-	700
Total current assets	282,099	54,116	336,215
Noncurrent assets:			
Machinery and equipment	3,123	62,281	65,404
Accumulated depreciation	(3,123)	(45,749)	(48,872)
Total noncurrent assets	-	16,532	16,532
Total assets	282,099	70,648	352,747
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	54,038	2,677	56,715
Deposits - unearned revenue	-	230	230
Total current liabilities	54,038	2,907	56,945
Noncurrent liabilities:	-	-	-
Total liabilities	54,038	2,907	56,945
<u>Net Position</u>			
Net investment in capital assets	-	16,532	16,532
Unrestricted	228,061	51,209	279,270
Total net position	\$ 228,061	\$ 67,741	\$ 295,802

CITY OF TAYLORSVILLE**Combining Statement of Revenues, Expenses, and Changes in Net Position –****Component Units****For the Year Ended June 30, 2020**

	Taylorsville Dayzz, Inc.	Taylorsville Arts Council	Total Component Units
<u>Operating Revenues</u>			
Sales and charges for services	\$ 1,275	\$ 10,493	\$ 11,768
Grants and contributions	86,000	29,991	115,991
Total operating revenues	87,275	40,484	127,759
<u>Operating Expenses</u>			
Community events	61,437	29,400	90,837
Depreciation	225	8,269	8,494
Total operating expenses	61,662	37,669	99,331
Operating income	25,613	2,815	28,428
<u>Nonoperating Revenues</u>			
Interest income	2,588	18	2,606
Total nonoperating revenues	2,588	18	2,606
Change in net position	28,201	2,833	31,034
Total net position, beginning	199,860	64,908	264,768
Total net position, ending	<u>\$ 228,061</u>	<u>\$ 67,741</u>	<u>\$ 295,802</u>



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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Net investment in capital assets	\$ 150,966	\$ 152,284	\$ 152,954	\$ 152,152	\$ 153,247	\$ 152,911	\$ 149,200	\$ 150,816	\$ 151,613	\$ 152,071
Restricted	6,144	5,640	6,068	7,476	5,494	5,497	4,178	1,928	711	1,396
Unrestricted	<u>11,775</u>	<u>11,144</u>	<u>11,051</u>	<u>10,547</u>	<u>9,658</u>	<u>8,672</u>	<u>12,843</u>	<u>4,193</u>	<u>4,922</u>	<u>4,657</u>
Total governmental activities net position	<u>168,885</u>	<u>169,068</u>	<u>170,073</u>	<u>170,175</u>	<u>168,399</u>	<u>167,080</u>	<u>166,221</u>	<u>156,937</u>	<u>157,246</u>	<u>158,124</u>
Business-type activities										
Net investment in capital assets	10,180	9,217	8,923	7,470	6,735	6,645	5,081	4,908	4,662	4,952
Restricted	-	-	-	-	-	-	-	-	-	394
Unrestricted	<u>1,062</u>	<u>1,826</u>	<u>1,959</u>	<u>2,721</u>	<u>3,086</u>	<u>2,780</u>	<u>4,140</u>	<u>3,974</u>	<u>4,000</u>	<u>3,107</u>
Total business-type activities	<u>11,242</u>	<u>11,043</u>	<u>10,882</u>	<u>10,191</u>	<u>9,821</u>	<u>9,425</u>	<u>9,221</u>	<u>8,882</u>	<u>8,662</u>	<u>8,453</u>
Primary Government										
Net investment in capital assets	161,146	161,500	161,876	159,622	159,982	159,556	154,281	155,724	156,275	157,023
Restricted	6,144	5,640	6,068	7,476	5,494	5,497	4,178	1,928	711	1,790
Unrestricted	<u>12,837</u>	<u>12,971</u>	<u>13,011</u>	<u>13,268</u>	<u>12,744</u>	<u>11,452</u>	<u>16,983</u>	<u>8,167</u>	<u>8,922</u>	<u>7,764</u>
Total Primary Government	<u>\$ 180,127</u>	<u>\$ 180,111</u>	<u>\$ 180,955</u>	<u>\$ 180,366</u>	<u>\$ 178,220</u>	<u>\$ 176,505</u>	<u>\$ 175,442</u>	<u>\$ 165,819</u>	<u>\$ 165,908</u>	<u>\$ 166,577</u>

CITY OF TAYLORSVILLE
Changes in Net Position
Last Ten Fiscal Years
(Amounts Expressed In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental activities										
General government	\$ 4,138	\$ 4,005	\$ 3,684	\$ 3,276	\$ 2,531	\$ 3,063	\$ 3,164	\$ 3,044	\$ 2,730	\$ 2,662
Public safety	12,392	11,939	11,567	11,751	11,370	10,864	13,102	14,714	14,561	13,847
Highways and streets	4,596	4,953	4,352	4,159	4,477	4,051	4,120	3,984	4,544	3,843
Community development	2,441	2,140	2,016	2,345	2,448	2,397	2,290	1,965	1,771	2,031
Parks and recreation	2,063	1,881	1,855	750	597	510	470	443	374	315
Other	-	-	-	-	-	-	-	-	-	-
Interest on debt service	173	124	136	145	163	420	357	254	210	203
Total governmental expenses	25,803	25,042	23,610	22,426	21,586	21,305	23,503	24,403	24,191	22,901
Business type expenses										
Storm drain expenses	1,177	1,026	864	827	808	975	834	938	1,008	826
Total business expenses	1,177	1,026	864	827	808	975	834	938	1,008	826
Total primary government expenses	<u>\$ 26,980</u>	<u>\$ 26,068</u>	<u>\$ 24,474</u>	<u>\$ 23,253</u>	<u>\$ 22,394</u>	<u>\$ 22,279</u>	<u>\$ 24,337</u>	<u>\$ 25,341</u>	<u>\$ 25,199</u>	<u>\$ 23,727</u>
Program Revenues										
Governmental activities										
Charges for service										
General government	\$ 39	\$ 41	\$ 39	\$ 41	\$ 40	\$ 128	\$ 35	\$ 78	\$ 129	\$ 79
Public safety	1,653	1,802	1,759	2,400	2,313	2,160	2,119	2,161	2,684	2,567
Community development	1,164	880	1,424	951	955	751	839	662	715	759
Parks, recreation and public prop.	126	107	54	42	52	42	44	49	41	90
Operating grants and contributions	5,066	2,850	2,774	2,672	2,747	2,506	2,065	2,171	2,255	2,568
Capital grants and contributions	252	1,318	706	1,871	738	1,715	8,770	1,864	957	904
Total governmental program revenues	8,300	6,998	6,756	7,977	6,845	7,302	13,872	6,985	6,781	6,967
Business-type revenue										
Storm drain revenue	1,376	947	1,315	1,165	1,204	1,178	1,171	1,155	1,212	1,161
Total business revenue	1,376	947	1,315	1,165	1,204	1,178	1,171	1,155	1,212	1,161
Total primary government program revenues	<u>9,676</u>	<u>7,945</u>	<u>8,071</u>	<u>9,142</u>	<u>8,049</u>	<u>8,480</u>	<u>15,043</u>	<u>8,140</u>	<u>7,993</u>	<u>8,128</u>
Net (expenses)/revenue										
Total primary government net expense	<u>\$ (17,304)</u>	<u>\$ (18,123)</u>	<u>\$ (16,403)</u>	<u>\$ (14,111)</u>	<u>\$ (14,345)</u>	<u>\$ (13,799)</u>	<u>\$ (9,294)</u>	<u>\$ (17,201)</u>	<u>\$ (17,207)</u>	<u>\$ (15,599)</u>

CITY OF TAYLORSVILLE
Changes in Net Position
Last Ten Fiscal Years
(Amounts Expressed In Thousands)

	2020	2019	2018	2017	2016	2015	2014	2014	2012	2011
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes	\$ 3,676	\$ 3,623	\$ 3,631	\$ 3,629	\$ 3,556	\$ 3,544	\$ 6,831	\$ 5,584	\$ 4,728	\$ 4,693
Sales taxes	9,634	9,131	8,922	8,143	8,271	7,938	7,663	7,450	7,277	6,778
Franchise taxes	3,477	3,564	3,788	3,844	3,924	3,858	4,004	3,951	3,648	3,588
Unrestricted investment earnings	372	522	351	215	122	92	98	71	79	63
Gain on sale of capital assets	3	-	-	176	-	-	-	2	483	18
Other revenues	158	198	61	249	188	381	323	54	0	139
Special item	-	-	-	-	-	-	-	-	322	-
Total primary government	17,320	17,038	16,753	16,256	16,061	15,813	18,919	17,113	16,537	15,279
Changes in Net Position										
Governmental activities	(183)	(1,005)	(101)	1,776	1,319	1,811	9,284	(308)	(879)	(663)
Business activities	199	161	691	369	397	204	339	220	209	344
Net position beginning, as restated	180,111	180,955	180,365	178,220	176,505	174,490	165,819	165,907	166,577	166,896
Net position ending	\$ 180,127	\$ 180,111	\$ 180,955	\$ 180,365	\$ 178,220	\$ 176,505	\$ 175,442	\$ 165,819	\$ 165,907	\$ 166,577

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund										
Nonspendable	\$ -	\$ 4	\$ 16	\$ 28	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	788	863	434	651	30	21	172	94	493	410
Unassigned	<u>4,418</u>	<u>3,564</u>	<u>5,603</u>	<u>5,338</u>	<u>5,827</u>	<u>4,872</u>	<u>4,254</u>	<u>3,599</u>	<u>4,006</u>	<u>3,945</u>
Total general fund	<u>\$ 5,206</u>	<u>\$ 4,431</u>	<u>\$ 6,037</u>	<u>\$ 5,989</u>	<u>\$ 5,857</u>	<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:										
Future construction	\$ 3,157	\$ 2,510	\$ 3,897	\$ 5,225	\$ 3,470	\$ 3,677	\$ 3,600	\$ 1,563	\$ 4	\$ 879
Parks	2,199	2,267	1,737	1,599	1,994	1,799	406	271	214	107
Assigned to:										
Infrastructure fund	4,652	6,922	5,106	5,365	3,880	3,284	3,284	578	625	974
Economic development	3,522	2,107	1,756	1,502	1,578	1,576	5,409	625	438	585
Buildings fund	142	142	142	142	142	142	142	139	16	13
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10)</u>
Total all other governmental funds	<u>\$ 13,672</u>	<u>\$ 13,948</u>	<u>\$ 12,638</u>	<u>\$ 13,833</u>	<u>\$ 11,064</u>	<u>\$ 10,478</u>	<u>\$ 12,841</u>	<u>\$ 3,176</u>	<u>\$ 1,297</u>	<u>\$ 2,548</u>

CITY OF TAYLORSVILLE

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years – (Amounts Express in Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	\$ 16,787	\$ 16,318	\$ 16,341	\$ 15,616	\$ 15,751	\$ 15,341	\$ 18,498	\$ 16,986	\$ 15,652	\$ 15,058
Licenses and Permits	822	118	852	716	689	586	643	537	571	589
Intergovernmental	5,087	669	2,726	4,876	3,691	2,946	11,015	4,313	2,844	3,818
Charges for Services	623	4,017	779	416	437	409	341	334	426	447
Fines and Forfeitures	1,570	462	1,693	1,944	1,874	1,748	1,733	1,746	2,260	2,087
Interest Income	372	1,732	351	214	122	92	96	69	74	55
Impact Fees	175	198	170	21	81	81	138	62	47	26
Miscellaneous Revenue	158	522	61	823	211	399	328	46	483	139
Total Revenues	<u>25,594</u>	<u>24,036</u>	<u>22,973</u>	<u>24,626</u>	<u>22,855</u>	<u>21,601</u>	<u>32,793</u>	<u>24,093</u>	<u>22,357</u>	<u>22,219</u>
Expenditures										
General Government	2,744	2,695	2,529	2,229	2,208	2,117	1,912	1,990	2,277	2,008
Public Safety	12,255	11,824	11,439	11,584	11,257	10,789	13,013	14,623	14,004	13,495
Highways and Public Improvements	3,220	3,212	2,986	2,860	2,726	2,876	2,710	2,479	2,485	1,802
Community and Economic Development	4,357	1,978	1,871	2,161	2,323	2,609	2,373	1,923	3,338	1,776
Parks, Recreation, and Public Property	1,711	1,463	1,544	848	320	448	249	311	183	150
Non-Departmental	823	695	595	545	601	544	648	655	522	508
Capital outlay	1,554	1,866	2,718	1,301	1,257	1,981	5,239	1,041	1,018	2,534
Debt service:										
Principal	521	506	490	474	482	5,995	269	219	218	201
Interest	120	111	124	137	132	433	224	224	212	205
Bond Issuance costs	34	-	-	-	-	103	59	32	82	-
Total Expenditures	<u>27,339</u>	<u>24,349</u>	<u>24,295</u>	<u>22,138</u>	<u>21,306</u>	<u>27,895</u>	<u>26,696</u>	<u>23,497</u>	<u>24,339</u>	<u>22,679</u>
Excess of Revenues over (under) Expenditures	(1,745)	(313)	(1,322)	2,488	1,550	(6,293)	6,097	596	(1,982)	(460)
Other financing sources (uses)										
Transfers in	913	2,726	2,276	2,338	1,445	2,984	2,285	865	803	650
Transfer out	(913)	(2,726)	(2,276)	(2,338)	(1,445)	(2,984)	(2,285)	(865)	(803)	(650)
Proceeds on the Sale of Assets	103	-	163	442	-	2,015	30	2	130	18
Proceeds of Issuance of Debt	<u>2,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,383</u>	<u>4,272</u>	<u>474</u>	<u>735</u>	<u>-</u>
Total other financing sources (uses)	<u>2,243</u>	<u>-</u>	<u>163</u>	<u>442</u>	<u>-</u>	<u>4,398</u>	<u>4,302</u>	<u>476</u>	<u>865</u>	<u>18</u>
Net changes in fund balances	<u>\$ 498</u>	<u>\$ (313)</u>	<u>\$ (1,159)</u>	<u>\$ 2,930</u>	<u>\$ 1,550</u>	<u>\$ (1,895)</u>	<u>\$ 10,399</u>	<u>\$ 1,072</u>	<u>\$ (1,117)</u>	<u>\$ (442)</u>
Debt service as a percentage of noncapital expenditures	2.5%	2.7%	2.8%	2.9%	3.1%	24.8%	2.3%	2.0%	1.8%	2.0%

CITY OF TAYLORSVILLE

Assessed and Estimated Actual Value Taxable Property

Last Ten Fiscal 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	
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%
2016	\$2,464,057	\$3,819,288	\$135,791	\$135,791	\$2,599,848	\$3,955,079	65.73%
2017	\$2,687,165	\$4,165,106	\$140,742	\$140,742	\$2,827,907	\$4,305,848	65.68%
2018	\$2,877,900	\$4,460,745	\$144,523	\$144,523	\$3,022,423	\$4,605,268	65.63%
2019	\$3,188,828	\$4,942,683	\$150,591	\$150,591	\$3,339,419	\$5,093,274	65.57%
2020	\$3,401,646	\$5,272,551	\$166,321	\$166,321	\$3,567,967	\$5,438,872	65.60%

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

Fiscal Year	Taylorsville City	Salt Lake County	So. Salt Lake County	Jordan Valley Water	Central Utah	Unified Fire Authority	Other District Range(1)		Total Tax Rate Range (2)	
			Mosquito Abatement	Conservancy District	Conservancy District		Low	High	Low	High
2011	1.739	2.593	0.050	0.410	0.436		8.162	8.305	11.651	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	2.192	6.994	9.094	11.065	15.887
2015	1.294	3.036	0.020	0.399	0.422	2.097	6.700	8.837	10.577	14.008
2016	1.250	2.531	0.019	0.400	0.405	2.000	7.555	9.601	10.910	14.206
2017	1.165	2.371	0.018	0.372	0.400	1.888	7.120	8.853	10.281	13.179
2018	1.090	2.238	0.017	0.400	0.400	1.812	7.036	9.037	10.091	13.182
2019	1.003	2.025	0.015	0.400	0.400	1.746	7.060	9.877	9.900	13.720
2020	0.943	1.933	0.014	3.830	0.400	1.746	7.212	9.576	13.389	16.696

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 six 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 (0.006481), Taylorsville Bennion Imp. Dist.(0.000146), Granger-Hunter Imp. Dist.(0.000606), Kearns Imp. Dist.(0.000677), and Jordan School District(0.006906). 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
Current Year and Nine Years Prior
(Per \$1,000 of Assessed Value)

Taxpayer	2020			Taxpayer	2011		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value		Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
TPP 217 Taylorsville, LLC	\$ 83,943	1	2.41%	Hermes Associates, LTD	\$ 43,077	1	1.73%
Summit Life Plan Communities	\$ 52,167	2	1.50%	Inland Western Taylorsville	\$ 36,322	2	1.46%
KW Fund VI Riverboat Road	\$ 50,724	3	1.46%	Arden Realty Limited	\$ 33,561	3	1.35%
Summerwood Associates	\$ 35,919	4	1.03%	Fairstone Cascade LLC	\$ 21,112	4	0.85%
PCCP JSP Fairway LLC	\$ 31,203	5	0.90%	Wal-Mart Real Estate	\$ 18,368	5	0.74%
Gemini Settlers Point	\$ 27,520	6	0.79%	PCCP JSP Fairway LLC	\$ 18,026	8	0.72%
Wal-Mart Real Estate	\$ 22,443	7	0.64%	Summerwood Associates	\$ 17,589	7	0.71%
The Mark Twain Limited	\$ 20,072	8	0.58%	Hermes Associates, LTD	\$ 16,297	6	0.65%
ICU Medical Inc	\$ 19,517	9	0.56%	ICU Medical Inc.	\$ 13,794	9	0.55%
SLC Sorenson 9 Equities LLC	\$ 17,809	10	0.51%	BC-GFS Settler's Point	\$ 13,279	10	0.53%
UT16 Taylorsville LLC	\$ 17,116	11	0.49%	Rural Enterprises	\$ 12,907	11	0.52%
Mikami Brothers	\$ 16,220	12	0.47%	Mikami Brothers	\$ 12,076	13	0.48%
Majestic Oaks, LLC	\$ 15,050	13	0.43%	DDR Family Centers LP	\$ 11,766	12	0.47%
Bridgeside LLC	\$ 14,887	14	0.43%	The Mark Twain Limited	\$ 10,984	14	0.44%
S-XI Investors, LLC	\$ 14,720	15	0.42%	SRP Building IX, LLC	\$ 10,948	15	0.44%
	<u>\$ 439,310</u>		<u>12.62%</u>		<u>\$ 290,106</u>		<u>11.64%</u>

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

Fiscal	Total Tax	Current Tax	Percent of Taxes	Delinquent Tax	Total Tax	Collected as a Percentage of Total Tax
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%
2016	\$ 3,313,484	\$ 3,203,620	96.68%	\$ 62,666	\$ 3,266,286	98.58%
2017	\$ 3,375,983	\$ 3,298,084	97.69%	\$ 61,376	\$ 3,359,460	99.51%
2018	\$ 3,398,184	\$ 3,318,991	97.67%	\$ 57,145	\$ 3,376,136	99.35%
2019	\$ 3,427,933	\$ 3,347,521	97.65%	\$ 42,020	\$ 3,389,541	98.88%
2020	\$ 3,519,617	\$ 3,440,755	97.76%	\$ 45,680	\$ 3,486,435	99.06%

CITY OF TAYLORSVILLE

Ratios Of Outstanding Debt By Type

Last Ten Fiscal Years

(Amounts Expressed In Thousands, Except Per Capita Amount)

Fiscal Year	Capital Lease (000's)	Bonds	Percentage of Personal Income	Per Capita
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
2016	-	8,680	0.62%	\$ 23.22
2017	-	7,955	0.55%	\$ 23.80
2018	-	7,205	0.50%	\$ 24.19
2019	-	6,435	0.43%	\$ 24.98
2020	-	7,780	0.50%	\$ 26.16

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:	\$ 2,374,390,000	1.87%	\$ 44,292,656
Salt Lake County:	\$ 165,845,000	5.15%	\$ 8,547,091
			<u>\$ 52,839,746</u>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Limit	\$ 147,382	\$ 139,242	\$ 128,832	\$ 117,639	\$ 109,005	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932
Total net debt applicable to limit	\$ 7,780	\$ 6,435	\$ 7,205	\$ 7,955	\$ 8,680	\$ 9,415	\$ 12,855	\$ 9,038	\$ 8,965	\$ 8,630
Legal debt margin	\$ 139,602	\$ 132,807	\$ 121,627	\$ 109,684	\$ 100,325	\$ 91,523	\$ 84,704	\$ 83,139	\$ 79,150	\$ 91,302
Total net debt applicable to the limit as a percentage of debt limit	5%	5%	6%	7%	9%	10%	15%	11%	11%	9%
Legal Debt Margin Calculation										
Assessed value	\$ 3,684,548	\$ 3,481,055	\$ 3,220,797	\$ 2,940,970	\$ 2,725,125	\$ 2,523,449	\$ 2,438,970	\$ 2,304,415	\$ 2,202,882	\$ 2,498,307
Add back: Exempt real property										
Total assessed value	\$ 3,684,548	\$ 3,481,055	\$ 3,220,797	\$ 2,940,970	\$ 2,725,125	\$ 2,523,449	\$ 2,438,970	\$ 2,304,415	\$ 2,202,882	\$ 2,498,307
Debt limit (4% of total assets, value)	\$ 147,382	\$ 139,242	\$ 128,832	\$ 117,639	\$ 109,005	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932
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	\$ 147,382	\$ 139,242	\$ 128,832	\$ 117,639	\$ 109,005	\$ 100,938	\$ 97,559	\$ 92,177	\$ 88,115	\$ 99,932

CITY OF TAYLORSVILLE
Demographic Statistics And Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Square Miles (1)	New Lots Approved (1)	Total Housing Units (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment rate (3)
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%
2016	60,514	10.7	28	20,966	1,405,377	23.224	4.00%
2017	60,436	10.7	14	20,980	1,438,498	23.802	3.20%
2018	59,992	10.7	63	21,043	1,451,386	24.193	3.10%
2019	60,192	10.7	67	21,110	1,503,536	24.979	2.80%
2020	59,805	10.7	53	21,163	1,564,379	26.158	5.30%

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

CITY OF TAYLORSVILLE
General Governmental Tax Revenue By Source
Last Ten Fiscal Years

FY	General Property Tax	General Sale and Use Tax	Franchise Taxes	Total Tax Revenue
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
2016	3,708,342	8,270,194	3,924,424	15,902,960
2017	3,833,207	8,143,290	3,843,911	15,820,408
2018	3,892,080	8,922,063	3,788,279	16,602,422
2019	3,623,316	9,130,693	3,563,623	16,317,632
2020	3,675,597	9,634,560	3,476,721	16,786,878



Top Employers 2020

Employer	Employees
Salt Lake Community College	1300
Concentrix - 2 sites (<i>formerly Convergys</i>)	1233
CaptionCall	796
Granite School District	688
Sterigenics International / Nelson Labs	595
ICU Medical	500
Utah Department of Transportation	450
Walmart	450
Sorenson Communications	364
Utah Department of Public Safety	354
Citywide Homes Loans	286
Unified State Labs	181
Target	180
Harmons	157
Summit Vista	126
Bureau of Criminal Identification	124
Ovivo USA	110
Complete Recovery Corp.	108
Macey's	101
Delta Health Systems	100
IHC Taylorsville Health Center	94
Old Spaghetti Factory	94
Avalon West Health & Rehabilitation	86
3M Company	70
Applebee's Neighborhood Grill	70
Telenotes	70

CITY OF TAYLORSVILLE
Miscellaneous Statistics

Date of Incorporation	July 1, 1996
Form of Government	Mayor/Council
Number of employees	37 Full Time 14 Part Time
Appointed	5
Elected	6
Area in square miles	10.7
Registered voters	20,418

City of Taylorsville facilities and services:

Culture and Recreation:

Swimming Pools	1
Parks	15 (including County owned)
Libraries (County)	1
Golf Courses	2

Fire Protection:

Number of stations/COP	2
Fire Service	Provided by UFSA

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.



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

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
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SHAWN F. MARTIN, CPA

**INDEPENDENT AUDITOR'S 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, 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, 2020, 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 25, 2020.

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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

HBME, LLC

November 25, 2020



COMMITTED. EXPERIENCED. TRUSTED

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

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

Report On Compliance

We have audited City of Taylorsville's (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Restricted Taxes and Related Restricted Revenues
Open and Public Meetings Act
Fraud Risk Assessment

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state 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 state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement 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 for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, City of Taylorsville complied, in all material respects, with the state compliance requirements referred for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 state 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 state 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 state 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

HBMC, LLC

November 25, 2020