

# OSBORNE, ROBBINS & BUHLER, P.L.L.C. Certified Public Accountants

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REPORT OF INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANTS ON STATE LEGAL COMPLIANCE  
IN ACCORDANCE WITH STATE OF UTAH  
LEGAL COMPLIANCE AUDIT GUIDE

Honorable Mayor and Members of the City Council  
City of Holladay

We have audited the City of Holladay's compliance with general and major state program compliance requirements described in the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2011. The general compliance requirements applicable to the City are identified as follows:

Public Debt	Other General Issues
Cash Management	Budgetary Compliance
Purchasing Requirements	Justice Court
B & C Road Funds	Uniform Building Code Standards
Truth in Taxation & Property Tax Limitations	Impact Fees
Utah Retirement System Compliance	Fund Balance
	Liquor Law Enforcement

The City received the following major assistance programs from the State of Utah:

B & C Road Funds	(Department of Transportation)
Liquor Law Enforcement Funds	(State Tax Commission)

Compliance with the requirements referred to above is the responsibility of the City's management. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Utah Legal Compliance Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above could have a material effect on the major assistance programs or general compliance requirements identified above. 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City of Holladay complied, in all material respects, with the general compliance requirements identified above and the requirements applicable to each of its major State assistance programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the State of Utah Legal Compliance Audit Guide and which are described in our letter to management dated November 1, 2011 as items 2011-A and 2011-B.

Management's response to the finding(s) in our audit is described in the accompanying letter to management. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management of the City and the Office of the Utah State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, the report is a matter of public record and its distribution is not limited.

*Osborne Robbins & Buhler PLLC*

November 1, 2011