

2009

ULGT

UTAH LOCAL GOVERNMENTS TRUST
ANNUAL REPORT 2009



PRESIDENT'S MESSAGE

2009 WAS ANOTHER BANNER YEAR for the Trust. Among other things, The Board of Directors approved a \$1.5 million member dividend - the first in the Trust's history. It will be distributed October 1, 2010.

The Board continues to explore options for a member pooled property program. Our goal is better coverage, better terms, better conditions and better pricing. After a feasibility study, the Board agreed to move forward with developing and implementing a member pooled property program by July 2010. Implemented May 1, 2010, this program is on track to exceed expectation and provide exciting new benefits to members.

The Trust has never been financially stronger. This financial strength provides security and protection to the members who have placed their confidence in us. Members trust that we will have the resources available to deliver on our promises. This is our commitment. We intend to build on this financial strength allowing us to give back to our members, add new programs, increase benefits, and provide world-class service.

We face the challenges of competition, difficult economic times, etc., but we are stronger than ever, and I see tremendous opportunity in the future. We are committed to deliver the best products and services at the best possible price - that is our standard.

Sincerely,

A handwritten signature in black ink that reads "Steven A. Hansen". The signature is written in a cursive style.

Steven A. Hansen, *Acting President, Executive Director*



THE TRUST The Utah Local Governments Trust was organized in 1974 to provide superior services and products to Utah's public agencies. The pool was initially capitalized with \$112,745. As of December 31, 2009, the Trust has assets of \$63,172,502. Trust member-owned equity is \$36,213,219. This member equity provides financial strength, security, rate stabilization, market stabilization, and protection from catastrophic loss.

OBJECTIVES

- Financial Security
- Partnership with Members
- Superior Products and Services
- Competitive Pricing
- Claims Management
- Loss Prevention
- Training
- Growth

CLAIMS HANDLING

Fair, prompt, and thorough, we are committed to delivering on our promise to pay claims for damages that our insured's are responsible for or have coverage for.

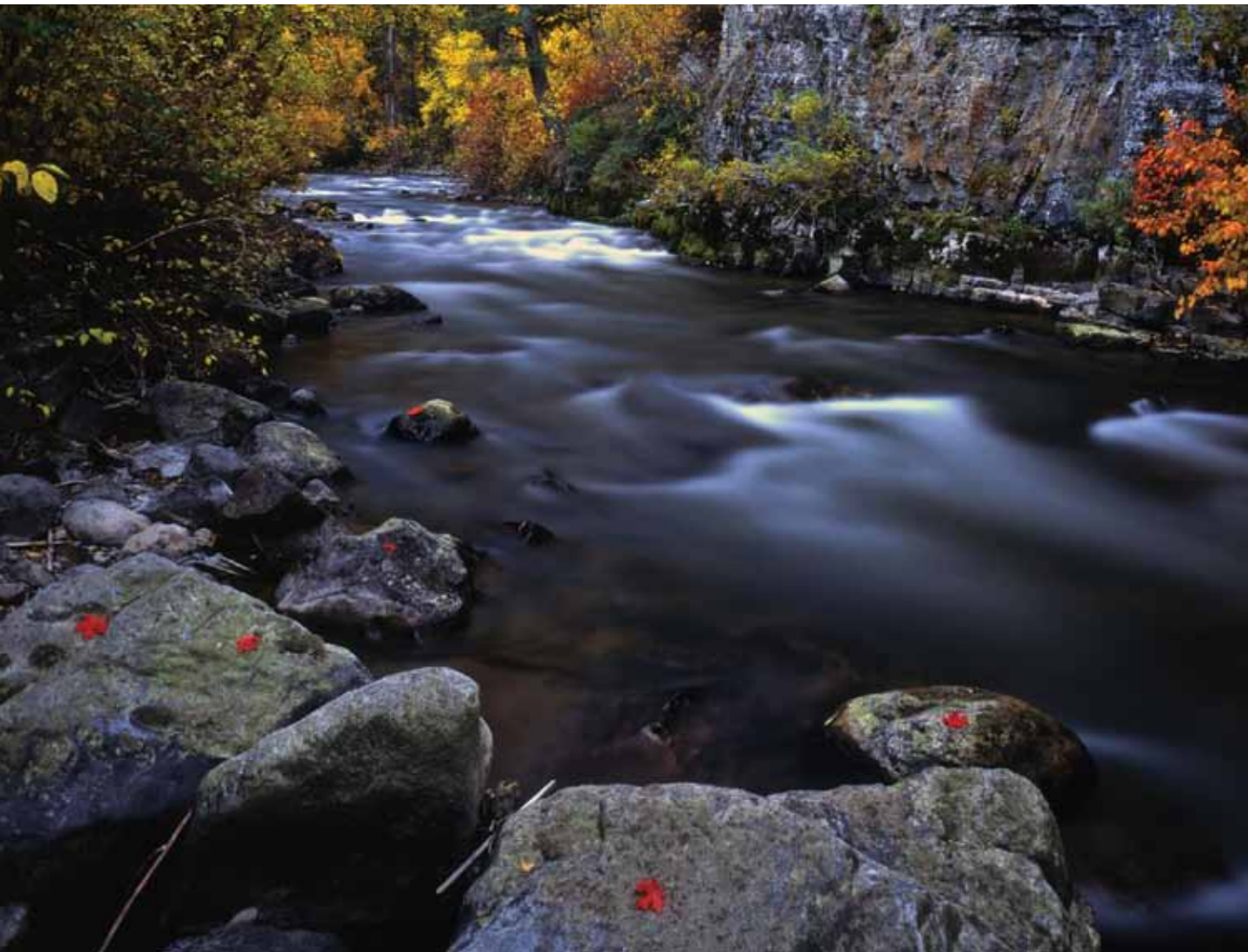
We will protect our members' interests in the most professional and complete way possible. We work closely with members throughout claim filing, investigation, settlement, and even litigation. When litigation is necessary, we keep members informed.

We are committed to protecting the interests and financial resources of our members. We



accomplish this by paying claims we owe and defending those we don't. We don't cut corners in the cost of investigation or defense. Decisions regarding coverage, settlement, and when to litigate have a far reaching impact. We communicate with members as we work to resolve difficult claims fairly and consistently.

Our members need more information—more timely and in a more useable format. Computer and web-based technology help us meet their needs. Our goal is to provide members with custom, easy-to-read reports, that show areas of success and areas that need attention.

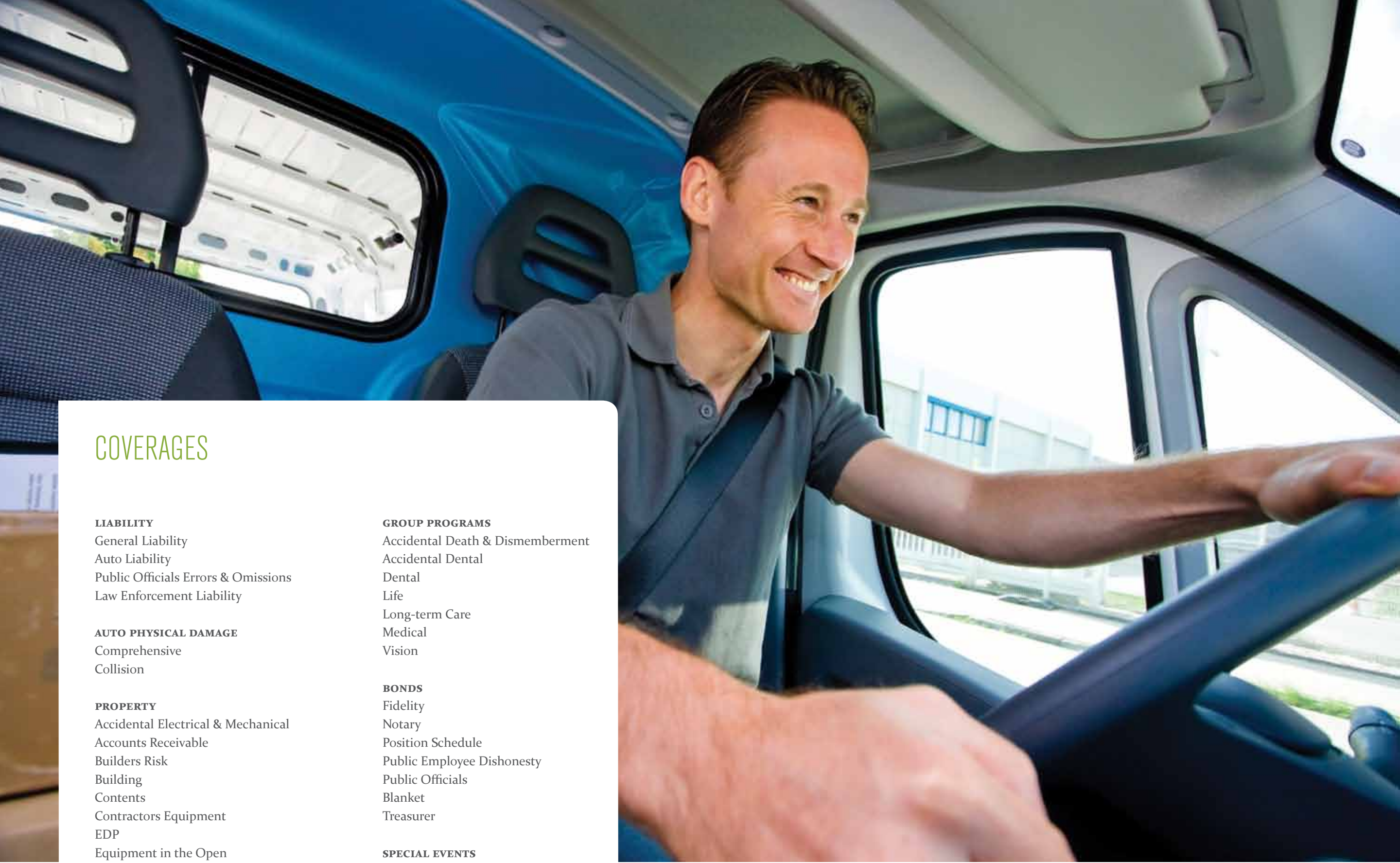


RISK MANAGEMENT & TRAINING

The Trust's Risk Management and Training staff is conducting a record number of on-site risk management surveys and training meetings. Our risk management staff trains on more than 50 topics. In addition, the Trust has available a training DVD library now with over 125 titles. Each DVD includes a Power Point presentation that can be used by members. Our goal is to work with members to help them in their risk management efforts to eliminate or reduce losses and preserve financial resources. Expertise and/or training assistance is provided in the following areas:

INFRASTRUCTURE LIABILITY
ENVIRONMENTAL HEALTH & SAFETY
HARASSMENT
EMPLOYEE HIRING/TERMINATION
PERSONNEL POLICIES & PROCEDURES
FAIR LABOR STANDARDS ACT
AMERICANS WITH DISABILITIES ACT
CIVIL RIGHTS LIABILITY
CONTRACTUAL LIABILITY
FAMILY & MEDICAL LEAVE ACT
DRUG-FREE WORKPLACE
LAW ENFORCEMENT LIABILITY
LIABILITY INSURANCE
PARKS & RECREATION
STREETS, SIDEWALKS, & ROAD SIGNS
PROPERTY DAMAGE CONTROL & SAFETY SYSTEMS
SENIOR CITIZENS CENTER SAFETY
ZONING & LAND USE
SEWER BACKUP PREVENTION
DRUG & ALCOHOL ABUSE RECOGNITION & RESPONSE
DEFENSIVE DRIVING
TRAFFIC CONTROL FOR WORK ZONES
COMMUNITY FIRST AID & CPR
EMERGENCY RESPONSE PLANNING
HAZARDOUS MATERIAL MANAGEMENT
NOISE POLLUTION MANAGEMENT
CLEAN AIR ACT
CLEAN WATER ACT
ODOR CONTROL
LEAD & ASBESTOS MANAGEMENT
OTHER OSHA TOPICS





COVERAGES

LIABILITY

General Liability
Auto Liability
Public Officials Errors & Omissions
Law Enforcement Liability

AUTO PHYSICAL DAMAGE

Comprehensive
Collision

PROPERTY

Accidental Electrical & Mechanical
Accounts Receivable
Builders Risk
Building
Contents
Contractors Equipment
EDP
Equipment in the Open
Fine Art
Mobile Equipment
Valuable Papers/Records
Earthquake & Flood

GROUP PROGRAMS

Accidental Death & Dismemberment
Accidental Dental
Dental
Life
Long-term Care
Medical
Vision

BONDS

Fidelity
Notary
Position Schedule
Public Employee Dishonesty
Public Officials
Blanket
Treasurer

SPECIAL EVENTS

Steam Boiler & Machinery
Airport Liability
Section 125
Cafeteria Plans

STATEMENT OF NET ASSETS

DECEMBER 31, 2009

ASSETS

CURRENT ASSETS:

Cash	\$616,955
Investment in State of Utah Public Treasurers' Investment Fund	14,660,202
Receivables:	
Premiums	307,068
Investment income	313,556
Administrative fees	272,691
Reinsurance recoverable on paid claims	96,393
Other	133,362
TOTAL CURRENT ASSETS	16,400,227

NONCURRENT ASSETS:

Investment in debt securities	41,131,717
Investment in debt securities held by state treasurer	1,997,413
Capital assets:	
Land	701,867
Depreciable, net of accumulated depreciation	2,415,983
Deposit with NLC Mutual Insurance Company	525,295
TOTAL NONCURRENT ASSETS	46,772,275

TOTAL ASSETS	63,172,502
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LIABILITIES

CURRENT LIABILITIES:

Estimated unpaid claims and claims adjustment expense	8,978,176
Policyholder dividends payable	1,765,080
Unearned premiums	3,853,017
Accounts payable and accrued expenses	323,530
State premium tax payable	139,556
TOTAL CURRENT LIABILITIES	15,059,359

NONCURRENT LIABILITIES:

Estimated unpaid claims and claims adjustment expense, net of current portion	11,899,924
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TOTAL LIABILITIES	26,959,283
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NET ASSETS

Invested in capital assets	3,117,850
Unrestricted	33,095,369
TOTAL NET ASSETS	\$36,213,219

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended December 31, 2009

OPERATING REVENUES:

Gross premiums earned	\$15,423,901
Reinsurance premiums	(1,464,638)
NET PREMIUMS EARNED	13,959,263

Administrative fees	1,000,676
Other revenue	4,693
TOTAL OPERATING REVENUES	14,964,632

OPERATING EXPENSES:

Claims and claims adjustment expenses	9,774,968
State premium tax expense	454,571
General and administrative expenses	3,352,732
Total operating expenses	13,582,271

OPERATING INCOME	1,382,361
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NONOPERATING REVENUES (EXPENSES):

Investment income	957,933
Policyholder dividend expense	(1,500,000)
Total nonoperating revenues (expenses)	(542,067)

CHANGE IN NET ASSETS	840,294
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NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	35,372,925
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NET ASSETS AT END OF YEAR	\$36,213,219
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The financial statements shown are derived from the Trust's audited financial statements for 2009 and do not include notes. A copy of the complete audited financial statements can be obtained from the Trust upon request. The Trust's independent auditor is Squire & Company.



BOARD OF DIRECTORS

JOE L. PICCOLO *Chair, Executive Committee*
Mayor, Price City

GARY L. HATCH *Executive Committee*
Manager, Davis County Mosquito Abatement District

JEFFREY W. HORROCKS *Executive Committee*
Commissioner, Emery County

BURTIS BILLS
Mayor, Payson City

BLAKE L. FRAZIER
Auditor, Summit County

D. BRAD HANCOCK
Board Member, Duchesne County Water Conservancy District

W. DEAN HOWARD
Mayor, Hyrum City

JOANN B. SEGHINI
Mayor, Midvale City

ROBERT G. SUTHERLAND
General Manager, Midvalley Improvement District

Board Members as of 12/31/09

TRUST STAFF

EXECUTIVE MANAGEMENT

STEVEN A. HANSEN, Acting President, Executive Director
J. STEPHEN FLITTON, Past President, Executive Director

ADMINISTRATIVE SUPPORT

MARILYNN BEESLEY, Executive Assistant

ACCOUNTING

JODY PETTET, Manager, Accounting
GREG BAUMGARTNER, Accounting Technician, Payables
DENISE FOWLER, Accounting Technician, Receivables
JULIE PAYNE, Receptionist

CLAIMS

CHRIS ROZELLE, Claims Manager

INFORMATION TECHNOLOGY

BRADY LOVELAND, IT Technician

SALES, MARKETING, & MEMBER SERVICE TEAM

GOLDEN THOMAS, Manager, Sales, Marketing, & Member Service
TRAVIS GARTON, Assistant Manager, Sales, Marketing, & Member Service
JOHN FARRELL, Account Executive
RYAN HATCH, Account Executive
JOSH MCKELL, Account Executive
JILL JOHNSON, Account Manager
CHRISTOPHER REAGAN, Account Manager
SUZIE WORLD, Account Manager

RISK MANAGEMENT

DOUG FOLSOM, Risk Manager
JASON WATTERSON, Assistant Risk Manager
LANCE MERGENS, Loss Prevention Specialist



MEMBERS

Alpine City
Alta Canyon Sports Center
Altamont Town
Alton Town
Amalga Town
Angell Springs Special Service District
Annabella Town
Antimony Town
Apple Valley Town
Ash Creek Special Service District
Ashley Valley Sewer Management Board
Ashley Valley Water & Sewer Improvement District
Aurora City
Ballard Town
Ballard Water Improvement District
Bear Lake Special Service District
Bear River Association Governments
Bear River City
Bear River Mental Health
Bear River Water Conservancy District
Beaver City
Beaver County Special Service District #5
Beaver Valley Hospital
Benchland Water Company (FAPID)
Benson Culinary Water Improvement District
Bicknell Town
Big Water Municipal Corp.
Blanding Cemetery Maintenance District
Blanding City
Bluff Service Area
Bluff Water Works Special Service District
Bluffdale City
Bona Vista Water Improvement District
Box Elder County Special Service Area #1
Box Elder County/Willard Flood
Box Elder Mosquito Abatement District
Brian Head Town
Cache County Emergency Medical Service Authority
Cache Mosquito Abatement District
Cache Valley Transit District
Cannonville Town
Canyon Land Improvement District
Canyonlands Health Care Special Service District
Carbon County Conservancy District
Carbon County Recreation/Transportation Special Service District
Castle Dale City
Castle Valley Special Service District
Castle Valley Town

Cedar City
Cedar Fort Town
Cedar Hills City
Centerfield Town
Centerville City
Central Iron County Water Conservancy District
Central Utah Public Health Department
Central Utah Mental Health
Central Valley Town
Charleston Town
Church Wells Special Service District
Circleville Town
Clarkston Town
Clawson Town
Cleveland Town
Clinton City
Coalville City
College-Young Mosquito Abatement District
Copperton Improvement District
Corinne City
Corinne Drainage District
Cornish Town
Cottonwood Heights City
Cottonwood Heights Parks & Recreation
Cottonwood Improvement District
Council on Aging-Golden Age Center
Crescent Cemetery
Daggett County Mosquito Abatement District
Daggett Water & Sewer District
Dammeron Valley Special Service District
Daniel Town
Davis & Weber Counties Canal Company
Davis Community Housing Authority
Davis County Mosquito Abatement District
Davis-Salt Lake Aerial Spray Authority
Delta City
Deseret Oasis Special Service District
Deweyville Town
Dial Mark LLC
Dixie Deer Water Special Service District
Duchesne City
Duchesne County Mosquito Abatement District
Duchesne County Water Conservancy District
Eagle Mountain City
East Carbon City
East Duchesne Culinary Water Imp District
East Riverton Drainage District
East Zion Special Service District
Eastland Community Special Service District

Eden Park Service District
Elk Meadows Special Service District
Elk Ridge City
Elmo Town
Elsinore Town
Elwood Town
Emery County
Emery County Fire Protection District
Emery County Nursing Home
Emery County Recreation District
Emery County Special Service District #1
Emery Town
Enoch City
Enterprise City
Ephraim City
Eureka City
Fairfield Town
Fairview City
Farr West City
Fayette Town
Ferron City
Fielding Cemetery Maintenance District
Fielding Town
Fillmore City
Five County Association of Governments
Flaming Gorge Road and Transportation Special Service District
Fountain Green City

Four Corners Community Behavioral Health
Francis Town
Fruit Heights City
Fruitland Special Service District
Garden City Fire District
Garden City Town
Garland City
Genola Town
Glen Canyon Special Service District
Glendale Town
Glenwood Town
Goshen Town
Grand County
Grand County Cemetery Maintenance District
Grand County Recreation Special Service District
Grand Water & Sewer Service Agency
Grantsville City
Grantsville Soil Conservation District
Green Hills East Water Sewer Improvement District
Green River City
Grouse Creek Solid Waste Special Service District
Gunlock Special Service District
Gunnison City
Hanksville Town
Hanna Water & Sewer District
Harrisville City
Hatch Town
Heber City



Heber Valley Special Service District
 Helper City
 Henefer Town
 Henrieville Town
 Herriman City
 Hideout Town
 Highland City
 Hildale City
 Hinckley Town
 Holladay City
 Honeyville City
 Hooper City
 Hooper Water Improvement District
 Housing Authority of Salt Lake City
 Housing Authority of the County of Salt Lake
 Housing Authority of Carbon County
 Housing Authority of Utah County
 Howell Town
 Huntington City
 Huntsville City
 Hurricane City
 Hurricane Redevelopment Agency
 Hyde Park Cemetery District
 Hyde Park City
 Hyrum City
 Indian Ridge Water Conservancy District
 Ivins City
 Jensen Water Improvement District
 Johnson Water Improvement District
 Joseph Town
 Junction Town
 Kamas City
 Kanarrville Town
 Kane County Human Resource Special Service District
 Kane County Water Conservancy District
 Kanosh Town

Kearns Improvement District
 Kingston Town
 Koosharem Town
 La Sal Recreation Service District
 Lake Point Cemetery & Parks Service Area
 Lake Point Improvement District
 Laketown City Fire & Cemetery
 LaVerkin City
 Leamington Town
 Leeds Area Special Service District
 Leeds Town
 Lehi City
 Levan Town
 Lewiston City
 Logan City
 Lone Peak Public Safety District
 Lyman Town
 Lynndyl Town
 Maeser Water Improvement District
 Magna Mosquito Abatement District
 Magna Water District
 Manila Culinary Water District
 Manila Town
 Manti City
 Mantua Town
 Mapleton City
 Marriott-Slaterville City
 Marysvale Town
 Mayfield Town
 Mendon City
 Mexican Hat Special Service District
 Midvale City
 Midvalley Improvement District
 Milford City
 Milford Valley Hospital
 Military Installation Development Authority



Millard Conservation District
 Millville City
 Minersville Town
 Moab City
 Moab Mosquito Abatement District
 Mona City
 Monroe City
 Monticello City
 Morgan City
 Morgan City Redevelopment Agency
 Moroni City
 Mountain Green Fire Protection
 Mountain Green Sewer Improvement District
 Mountain Meadow Special Service District
 Mountain Regional Water Special Service District
 Mountainland Association of Governments
 Mt. Pleasant City
 Municipal Building Authority Vernal
 Mutton Hollow Improvement District
 Myton City
 Myton City Housing Authority
 Naples City
 Neola Community Park District
 Neola Water & Sewer District
 Nephi City
 New Harmony Town
 New Harmony Valley Special Service District
 Newton Town
 Nibley City
 North Logan City
 North Pointe Solid Waste Special Service District
 North Salt Lake City
 North Sanpete Ambulance
 North Sevier Recreation
 North Summit Fire Protection District
 North Tooele Special Service District
 North View Fire Agency

Northern Utah Regional Landfill Authority
 Oak City
 Oakley City
 Ogden Valley Recreation Transmission Special Service District
 Oquirrh Recreation/Parks District
 Orangeville City
 Orderville Town
 Panguitch City
 Paradise Town
 Paragonah Town
 Parowan City
 Paunsaugunt Cliffs Special Service District
 Payson City
 Peoa Recreation Special Service District
 Perry City
 Pine Meadow Mutual Water Company
 Pine Valley Special Service District
 Pleasant Grove City
 Pleasant View City
 Plymouth Town
 Portage Town
 Powder Mountain Water & Sewer Improvement District
 Price City
 Price River Water Improvement District
 Providence City
 Provo Housing Authority
 Rainbow Ranchos Water Company
 Randolph Fire District
 Randolph Town
 Redmond Town
 Richmond Cemetery Maintenance District
 Richmond City
 River Heights City
 Riverdale City
 Riverside Cemetery Maintenance District
 Riverside Community Special Service District
 Riverton City
 Rockville Town
 Rockville/Springdale Fire Protection District
 Rocky Ridge Town
 Roosevelt City
 Roosevelt City Housing Authority
 Roy Water Conservancy Subdistrict
 Rural Water Association of Utah
 Rush Valley Town
 Salem City
 Salina City
 Salt Lake City Mosquito Abatement District
 Salt Lake County Service #3
 San Juan County Water Conservancy District
 San Juan Counseling Mental Health
 San Juan County Transportation
 Sandy Suburban Improvement District
 Sanpete Conservation District





Sanpete County Fire Special Service District
 Santa Clara City
 Santaquin City
 Saratoga Springs City
 Scipio Town
 Scofield Reservoir Special Service District
 Scofield Town
 SESD (South Utah Valley Electric Service District)
 Sevier Conservation District
 Sevier County Special Service District #1
 Six County Association of Governments
 Skyline Mountain Special Service District
 Smithfield City Corp.
 Snowville Town
 Snyderville Basin Recreation District
 Snyderville Basin Water Reclamation District
 Solid Waste Special Service District #1
 Solitude Improvement District
 South Davis Metro Fire Agency
 South Davis Sewer District
 South Davis Water District
 South Ogden City
 South Salt Lake Valley Mosquito Abatement District
 South Valley Sewer District
 South Valley Water Reclamation Facility
 South Weber City
 South Weber Water Improvement District
 Southeastern Association of Governments

Southern Utah Valley Power Systems
 Southwest Mosquito Abatement & Control
 Southwestern Special Service District
 Spanish Fork City
 Spring City
 Springdale Town
 St. George City
 St. George Housing Authority
 Stansbury Park Improvement District
 Stansbury Service Agency
 Sterling Town
 Stockton Town
 Sugar House Park Authority
 Summit County
 Summit County Service Area #3
 Summit Mosquito Abatement District
 Sunnyside City
 Sunset City Corporation
 Syracuse City
 Tabby Valley Parks & Recreation Special Service District
 Tabiona Town
 Taylor/West Weber Water
 Taylorsville City
 Teasdale Special Service District
 Thatcher/Penrose Fire Department
 Thompson Special Service District
 Ticaboo Special Service District
 Timberline Special Service District

Timpanogos Special Service District
 Tooele Valley Mosquito Abatement District
 Toquerville City
 Torrey Town
 Trans-Jordan Cities Landfill
 Tremonton City
 Tremonton/Garland Drainage District
 Trenton Town
 Tridell-Lapoint Water Improvement District
 Tropic Town
 Uintah Animal Control & Shelter Special Service District
 Uintah Basin Association of Governments
 Uintah Basin Assistance Council
 Uintah Basin Narcotics Strike
 Uintah Care Center
 Uintah City
 Uintah County/Vernal Interlocal
 Uintah Fire Suppression Special Service District
 Uintah Highlands Improvement District
 Uintah Impact Mitigation/Uintah Economic Development Special Service District
 Uintah Mosquito Abatement District
 Uintah Recreation District
 Uintah Transportation Special Service District
 Uintah Water Conservancy District
 ULGIT/ULGT
 Unified Fire Authority
 Upper Country Water Improvement District
 Utah Association of Conservation Districts
 Utah Association of Counties
 Utah Association of Special Service Districts
 Utah County
 Utah League of Cities and Towns
 Utah Municipal Finance #2
 Utah Municipal Finance Co-op
 Utah Municipal Power Agency
 Utah Valley Dispatch Special Service District
 UTOPIA
 Vernal City
 Vernon Town
 Vernon Water Works Special Service District
 Vineyard Town
 Virgin Town
 Wales Town
 Warren/West Warren Water Improvement
 Wasatch County Fire Protection Special Service District
 Wasatch Front Regional Council
 Wasatch Integrated Waste Management
 Wasatch Mental Health Services Special Service District
 Washington City
 Washington County Water Conservancy District
 Washington Terrace City
 Weber Basin Water Conservancy District
 Weber Human Services
 Weber Mosquito Abatement District
 Weber/Morgan Narcotics Strike Force

Wellington City
 Wellsville City
 Wendover City
 West Bountiful City
 West Corinne Water Company
 West Haven City
 West Haven Special Service District
 West Millard Mosquito Abatement District
 West Point City
 West Warren Community Park
 Western Kane County Special Service District #1
 Western States Water Council
 White City Water Improvement District
 White Hills Special Service District
 Willard City
 Wolf Creek Sewer District
 Woodland Hills City
 Woodruff Cemetery Maintenance District
 Woodruff Fire District
 Woodruff Town
 Woods Cross City
 Woods Cross City Redevelopment Agency

Members as 12/31/2009

UTAH LOCAL GOVERNMENTS TRUST

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2009